

Foreign Investment and Trade in Cuban Development: A 50-Year Reassessment with Emphasis on the Post-1990 Period

MARIBEL APONTE-GARCÍA

University of Puerto Rico, Puerto Rico

This article provides a 50-year reassessment of foreign investment and trade in Cuba and locates this analysis within Cuban debates on development and the economics of transition. Transformations contextualised in these debates cover three periods. The 1959–1989 period was characterised by nationalisations and expropriations, the imposition of the US trade embargo, and the trade and economic assistance agreements signed with the Soviet Union. The Special Period crisis emerged in the 1990s and Cuba had to turn to foreign investment and alternative trade options while continuing to reject the adoption of open regionalism and neoliberal policies. The 2005–2008 period was characterised by Cuba's incorporation into the Bolivarian Alternative, a new regional integration model.

Keywords: Bolivarian Alternative, Cuba, Cuban development, foreign investment and development, foreign investment and trade, open regionalism.

Introduction

For 50 years, Cuba has been committed to a sovereign alternative development project privileging social achievements over economic ends. The political struggle to achieve this project has been dramatic because opposition from the US government and right-wing groups of Cuban exiles have unabatedly sought to restrain development options.

In the Cuban case, two debates have converged: how to achieve economic development and how to achieve a transition from capitalism to socialism. The first debate addresses how an economy can achieve growth and technological advances; the second approaches how to transform an economic system in order to attain socialism.

Cuba has struggled to achieve economic development with equity within a socialist project, and has created and implemented original development options that have often preceded theoretical formulations. Fifty years ago, economic development theory was



a new discipline, structuralism had only recently formulated import-substitution strategies, dependency theory had not fully emerged, and 'development with equity' theory did not exist as an alternative theoretical framework. Although socialist economic theory had a longer history, there were still many gaps, particularly as to how the transition to socialism would occur in less developed neocolonial societies, the production forms and property rights conducive to socialism, alternative models to central planning and market socialism, the question of regional integration and the role of foreign investment.

Development and socialist theories and analyses are often confused (Kotz, 2005), especially when tied to ideological and political debates. The emergence of neoliberal policies in the West and the collapse of Soviet-style socialism, both developing during the 1980s, contributed to this confusion. Neoliberal policies proclaimed that unregulated markets, privatisation and capitalism without state intervention were the best way to achieve growth. 'Capitalist democracy', identified with the United States and Britain and associated with markets, private enterprise and free-trade agreements, was the victor; communism, associated with central planning, state-owned enterprises, 'lack of democracy' and the Soviet trade bloc, was the loser. Since the late 1980s, the transition-economics debate has also focused on a second transition: that from socialism towards a 'market' economy, or capitalism.

Neoliberal policies have clearly adversely affected developing countries and transition economies; in Latin America and the Caribbean, the 1980s are known as the 'lost decade', because of the inefficacy of neoliberal policies in triggering development. During the 1990s, policies of 'open regionalism', framed in a neoliberal discourse, promulgated free-trade agreements based on foreign corporations and export-led growth; these policies generated capital flight, increased inequality and trade deficits (Aponte and Álvarez, 2002). The effects of neoliberal policies on Russia's post-1980s transition were also disastrous, generating 'a chaotic situation in which only short-run gain matters' and a 'host of unproductive activities, including speculation in land and securities, skimming enterprise revenues, various forms of fraud, misappropriation of public funds, and protection rackets', as described by Kotz (2005: 6).

Meanwhile, Cuba had been looking for alternative development options. When the Council for Mutual Economic Assistance (CMEA) dissolved in 1991, Cuba faced one of the harshest and most abrupt de-integration processes faced by any economy in contemporary history. Excluded from those regional and multilateral integration agreements orchestrated by the United States and the World Trade Organization, blockaded by the US trade embargo, de-integrated from the CMEA and distanced from Lomé, Cuba had to wage an important battle to restructure its trade and introduce foreign investment policies that redefined its insertion into the global economy.

When the Special Period in Peacetime¹ crisis began in 1991, the economic development strategy was still following the import-substitution industrialisation strategy outlined in the 1975 First Communist Party Congress (Carranza, 2002: 41), even though rectification measures (Cuban-style) had been called for and implemented. The challenge, now, was to bring about changes without giving in to neoliberal proposals.

In the ensuing difficult years, Cuba introduced important economic policy changes affecting trade and foreign investment: measures proposed in the 1991 Fourth Party

1 The Special Period in Peacetime is the term used to explain the difficulties Cuba confronted after 1990 due to the dissolution of the Soviet bloc, its principal economic and trade partner. It was equivalent to a war economy, but in times of peace



Congress and the 1992 Constitutional Amendments; the Foreign Investment Act of 1995; and the restructuring of alternative business practices, particularly the so-called *Perfeccionamiento Empresarial* (PE; Perfecting of Enterprises). The implementation of these changes implicitly laid the grounds for a new model; explicitly, no new model was formulated.

Meanwhile, Cuban economists waged a profound discussion about the need for transformation of the model (Carranza, 2002; Monreal, 2002); different authors delineated important elements of change. Some proposals emphasised aspects of economic development models. For Carranza (2002) and Monreal (2002), a new model would, first, have to create a new structure that guaranteed the country's insertion into the international economy, second, develop opportunities to be defined by a framework and evolution of global production chains, and, third, identify and select sectors and activities that would constitute the new economic structure, based on social and political considerations (Carranza, 2002: 41–44). Ritter (2007) stressed the need to create a new export base for the economy, an argument compatible with Monreal's and argued for the need to link this model with a knowledge economy and society and with an institutional strategy. Monreal (2002) articulated an export diversification proposal, linked to global production chains, and technological and organisational change.

Others emphasised changes in the 'transition-economics model'. Carranza (2002) and Monreal (2002) proposed carrying out an economic restructuring process that transcended the partial reform of central planning mechanisms. Armando Nova agreed with Omar E. Pérez-Villanueva and other academics that, among other things, 'productive forces need to be freed up', with clear rules; the market needed to expand to provide incentives for production and work, and excessive centralisation and financial and productive restrictions on businesses should be eliminated (Grogg, 2008).

The Special Period tested Cuban endurance, requiring great sacrifices from the population, because of the scarcity of resources. Eventually the measures implemented began to have the desired effects on the Cuban economy and some degree of relief was felt. However, between 2004 and 2008 a series of events brought into relief the question of neoliberalism.

In 2004 and 2006, a neoliberal programme for Cuba was outlined by the US government in the 'Bush Plan'. This Plan articulated specific development strategies for price and market mechanisms, property rights, and international economic relations. It proposed decontrolling pricing, establishing 'free' and efficient markets, and streamlining existing government economic ministries. Further, it recommended denationalising state-owned or state-controlled entities, settling outstanding expropriated property claims and promoting private property ownership, rejoining international financial institutions and encouraging foreign investment (Commission for Assistance to a Free Cuba, 2004, 2006).

Then, in 2005, Cuba signed an agreement with Venezuela that initiated regional integration into the new *Alternativa Bolivariana* (ALBA; Bolivarian Alternative); ALBA provided an alternative that was completely contrary to the Bush Plan. At present, this alternative has the potential of promoting an emergent regional transition-economics model, as discussed in the third section of this article.

In 2006, Raúl Castro assumed power, after Fidel Castro stepped aside for health reasons, and immediately adopted measures aimed at improving the Cuban model by increasing efficiency and strengthening the link between income and performance (CEPAL, 2008). Some measures benefited the population directly (greater access

to hotels, electrical appliances and cellular phones); others were directed toward increasing agricultural productivity and output, such as: paying off debt to private farmers and cooperatives; increasing agricultural product prices paid by the government; providing access to agricultural supplies; and assigning idle state land in usufruct to individuals and cooperatives. Those that affected industries or workers included a campaign against corruption, regulations against workplace indiscipline and legalising foreign companies' payment of extra wages to Cuban employees (in hard currency) (see Mesa-Lago, 2008).

Changes introduced by Raúl Castro re-ignited debates on inequality, social policies and a 'mixed/multiactoral model of socialism' (Espina, 2008: 134). These debates had emerged during the Special Period, when the redefinition and redistribution of private property and income in Cuba (that gave people access to US dollars through remittances and allowed participation in certain business practices) generated growing social inequality.

When the international financial crisis exploded in late 2008, the neoliberal policies promoted for the last 28 years lost credibility. Analyses of the structural determinants of the crisis (Crotty and Epstein, 2008), linking it to unregulated markets, non-intervention by the state, and the role of unfettered profit-seeking investment bankers who benefited individually from high-risk ventures, created a new scenario to rethink development debates.

At present, the Cuban government has convoked a Sixth Congress of the Cuban Communist Party in 2009 that will probably define guidelines to further restructure the economy. Therefore, a reassessment of Cuba's achievements over the last 50 years can usefully serve here to identify future possibilities.

Foreign Investment and Trade in Cuban Development 1959–1989

When the Revolution triumphed on 1 January 1959, Cuba's development project (still not defined as a socialist programme) focused on solving the social and economic problems that capitalism under Batista and US power had created for Cuban society.

During 1959–1971, most local investment was expropriated and foreign investment was nationalised; a new local production and enterprise system emerged from these transformations. In the early years, debates and strategies focused on carrying out a nationalist economic development programme. Later debates focused on transition-economics.

Before the Revolution, colonial and neocolonial imperatives had structured development patterns, foreign investment and trade around sugar production for export; several factors supported Cuba's rise as an important world sugar producer. First, Cuban *colonos* emerged from the creole oligarchy displaced from tobacco by the monopoly on trade and found in sugar production a new development venue (Moreno-Fraginals, 1978: 25). Second, since Spain lacked refineries, Cuban sugar was refined on the island and sold on the local as well as the international market. Third, US capital flows, channelled towards sugar mills' investment growth in the 1780s after the Anglo-American War of 1779, opened the US market (Moreno-Fraginals, 1978: 65–66). Finally, since Cuba was the penultimate country or colony to abolish slavery on the continent (in 1886), sugar production transferred to the island as other European colonies abolished the slave trade.

After the War of Independence (1895–1898) and the Spanish-American War (1898), sugar production shifted from mills to latifundia, and banking and infrastructure

(particularly railroads) came under British and US dominance (Dye, 1998: 7–10). By the late 1920s, about 66 per cent of Cuba's sugar production was under US corporate control and Cuba became the principal sugar supplier for the United States (Dye, 1998: 1–4, 8). However, the Cuban sugar economy generated poverty and inequality; Barredo-Medina (2008: 1) states 'in 1958, 50 per cent of the population earned just 11 per cent of total income, while a 5 per cent minority controlled 26 per cent'.

In 1959, the revolutionary government's development programme focused on Cuba's most pressing problems, created by the sugar economy model, addressing land distribution and ownership, industrialisation, housing, employment, education, health and equality. Fidel Castro had laid out the fundamental pillars of the programme in his 'History Will Absolve Me' speech (Castro, 1975), delivered in 1953 during the Moncada trial.

The economic development programme required certain important transformations in agriculture, foreign investment, trade and social welfare. During 1959–1962, Cuba carried out an Agrarian Reform (Deere, *et al.*, 1990: 126) and an industrialisation strategy that required the expropriation of local enterprises, the nationalisation of foreign companies and the diversification of trade relations. Nationalisations and expropriations first targeted latifundia and US-owned sugar mills (to carry out the Agrarian Reform), and then affected banks, telephone and electricity corporations, domestic wholesale, foreign trade and banking (Mesa-Lago, 2000: 176). Expropriations and nationalisations of private educational institutions and large hospitals followed in 1961. Private retail stores were collectivised into a state network of groceries and other shops in 1962 as rationing was introduced (Mesa-Lago, 2000: 186). Cuba paid compensation to nationals from Canada, Spain and Britain, but not to those from the United States who rejected the amounts proposed by Cuba (Barredo-Medina, 2008).

Cuba signed its first major trade and economic assistance agreement with the Soviet Union in 1960 (USITC, 2001: 1–8), to acquire oil, machinery and credits in exchange for sugar: 'Soviets would buy 1 Million tons annually' (Mesa-Lago, 2000: 178). Soviet oil was to be processed in Cuba by refineries owned by Esso/Standard Oil and Texaco (USITC, 2001: 1–8). When these companies refused to refine Soviet oil, the Cuban government nationalised the refineries in 1960. The United States responded by reducing Cuba's sugar quota; further nationalisations followed (USITC, 2001: 1–8; Deere, *et al.*, 1990: 126). In 1962, the US 'suspends preferential and most-favoured nation tariff treatment to Cuba and in 1963, the Cuban Assets Control Regulations freeze all Cuban-owned assets in the US and formalize US commercial, financial and travel sanctions with Cuba by US citizens and in 1964 the Organisation of American States imposes multilateral economic sanctions with respect to Cuba' (USITC, 2001: 2–2, Table 2–1).

The 1959–1971 period witnessed great achievements in attaining social objectives. Distributive and social policies engendered a Cuban population with high levels of education, particularly in health, medicine and the humanities. Income distribution inequalities were modified, although those sectors linked to the political party structure and intellectual circles enjoyed privileges not granted to other social sectors.

Politically, Cuba was deeply affected within this period by the Cold War, the Organization of American States' expulsion of Cuba in the early 1960s, the 1961 Bay of Pigs invasion, the 1962 Missile Crisis and an internal opposition that triggered many Cuban professionals' emigration. The political environment damaged the development process as the government was forced to channel resources away from production, consumption and distribution towards military defence. Sabotage, assassination attempts and military manoeuvres all had an impact on all aspects of society.

When the United States imposed the trade embargo in 1962, Cuba turned towards the Soviet Union. This relationship endured until the late 1980s and marked Cuba's continued dependence as a primary sugar exporter, relying on trade relations dominated by one partner. Cuba had to refocus on sugar production for export, a development strategy that it tried to avoid (Zimbalist and Eckstein, 1987: 9; Mesa-Lago, 2000: 177). This damaged the strategies for import-substitution industrialisation and the diversification of agricultural production. Consumption based on local diversified production was sidestepped. The Soviet Union signed a second six-year trade agreement (1965–1970) with Cuba, through which they would increase sugar imports and provide technical aid to expand and modernise the sugar industry (Mesa-Lago 2000: 202). **Sugar exports became the basis for industrialisation as Cuba grew closer to the Soviet Union as a trade partner.**

This period also marked a profound debate that would locate development options within the wider debate on the transition to socialism. The debate centred on two questions: what socialist model was best for Cuba (which included resolving whether macroeconomic management should be organised through centralised planning or market socialism) and **whether material or moral incentives should be the basis for a socialist transformation.**

Ernesto Che Guevara toured Eastern Europe and Asia in order to ascertain what 'socialist model' was best for Cuba. Che criticised 'Soviet reliance on material incentives, money relations and bureaucracy as belonging to a capitalist logic' (Green, 1996: 27), and described Yugoslavia as 'managerial capitalism with a socialist distribution of the profits' (Yaffe, 2004: 2). Guevara proposed a Cuban alternative to Soviet-style socialism, emphasising three main components: **a campaign against bureaucracy, an emphasis on voluntary, collective work and the social wage.** Che wanted to create an enterprise system that avoided the problems that he had seen in the Soviet Union and Yugoslavia and that promoted the collectivisation of production and workers' participation.

The Revolution's ambitious goal of attaining development through socialism was best captured in the 1970 '10 Million-ton harvest' drive; this increase in sugar production was designed to guarantee growth through exports within the new trade agreement with the Soviet Union. **When the 10 Million-ton harvest was not achieved, Cuba moved into what is known as 'the Retreat to Socialism'** (Eckstein, 1994: 41) and the 'Sovietisation' of Cuba. It became more formally integrated into the Soviet bloc and its central planning system, entering into exactly the type of model resembling state capitalism that Che had warned against. Bureaucracy crept in, and the emphasis on voluntary, collective work that would control production weakened. The 'Sovietisation' of the economy allowed local Cuban enterprises to become the prevailing organisational form within the business system, while Soviet policies focused on aid, trade and exports, and did not favour direct foreign investment.

Cuba joined the CMEA in 1972, at a time when there was no foreign investment and practically no private enterprise on the island, because the revolutionary government had nationalised foreign holdings and proscribed all forms of foreign investment since the early 1960s (Brundenius, 1984; Pérez-López and Travieso-Díaz, 2000). It had also collectivised most private local firms. By 1977, collectivisation was complete (100 per cent) in industry, construction, retail trade, wholesale and foreign trade, banking and education; in only two sectors were collectivisation percentages lower: agriculture (77 per cent) and transportation (98 per cent) (based on data in Mesa-Lago, 2000: 347).

Until the mid and late 1970s, foreign investments were not favoured under the CMEA. The Socialist Bloc rejected international capital flows on ideological grounds, considering them exploitative (Palánkai, 2008: 25). However, after the 1970s world

economic crisis, socialist countries ‘opened up’ through joint venture legislations and began accepting foreign capital investments (except the German Democratic Republic and Cuba) (Palánkai, 2008: 27).

In Cuba, state enterprises, linked to a centralised planning system, constituted the production system responsible for generating the goods exchanged within the CMEA. Although Cuba was highly dependent on Soviet aid and investment credits, enterprises established under Soviet cooperation were not joint ventures or mixed enterprises, but rather Cuban state enterprises. Later on, a Soviet–Cuban long-term cooperation agreement (1985–2000) was signed, envisaging Soviet–Cuban joint enterprises (Mesa-Lago, 2000: 242), but it is not clear whether these investments were concretised given the interruption brought about by *perestroika* and *glasnost* in the Soviet Union.

According to Hare (2007: 32–38):

CMEA carried out trade within the socialist bloc as well as with western and eastern countries excluded from the bloc. Within the bloc, trade was determined through the plan and any trade not in it was not allowed. CMEA promoted production specialisation among the socialist countries. Price-type signals or cost factors did not influence trade flows. Annual bilateral deals between each pair of countries, conducted in ‘transferable roubles’, determined trade with socialist partners. Prices were based on western world market prices, but these were lagged and smoothed out to remove fluctuations. The Comecon bank based in Moscow handled the payment and financing aspects of this trade.

The insertion of Cuba into the Soviet trade and cooperation bloc would define the structural problems that the Cuban economy would later have to face and solve when it entered into the Special Period crisis sparked by the CMEA’s dissolution. Cuba was excessively dependent on what it supplied and acquired from the CMEA. From 1972 until 1991, Cuba’s trade structure was tied to this international insertion (Spadoni, 2002: 158). In 1989, Cuba exported 63 per cent of its sugar, 73 per cent of its nickel and 95 per cent of its citrus to these countries. Similarly, imports from CMEA countries represented 85 per cent of Cuba’s total imports: 63 per cent of food, 86 per cent of raw materials, 98 per cent of fuel and lubricants, 80 per cent of machinery and equipment, and 57 per cent of chemical products (Álvarez-González, 1995: 7).

Production and investment centred on state enterprises that did not meet international benchmarks in competitiveness and technology; prices and costs did not reflect measures of efficiency in these firms, as the system depended on centralised planning and there were no market mechanisms. Cuba had not diversified into any regional integration agreements, as it maintained most of its trade within the CMEA (Pérez, 1983; Álvarez-González, 1995).

In the late 1980s, as *perestroika* and *glasnost* restructured and de-structured the Soviet economies, Cuba entered into the *Proceso de Rectificación de Errores* (Rectification Process), the Cuban attempt to reform the ‘economic transition model’ by focusing on improving productivity and efficiency and on combating corruption. Rectification offered palliative measures within the same model.

Restructuring during the Special Period Crisis 1990–2004: The Rejection of Open Regionalism and the Need for Alternative Foreign Investment and Trade Strategies

When the crisis ensued, debate on development options was focused on Cuba's characteristics and situation. Cuban sugar lost its market, exports fell and the oil-for-sugar exchanges that had characterised trade and financial arrangements within CMEA collapsed. Shortages spread throughout the Cuban economy (Alonso and Galliano, 2001: 339), and capital inflows fell abruptly as financing from the CMEA disappeared, while Western capital markets remained relatively closed. The crisis forced social policy cuts, with safeguards established for children and the elderly.

At first, economic development strategies focused on guaranteeing survival by identifying ways to obtain foreign exchange quickly so that the government could purchase basic goods on the international market; food, medicines and oil were prioritised. Then development debates incorporated issues related to transition-economics by focusing on 'centralisation versus markets' strategies and redefining property rights.

Within this context, Cuban policy-makers now focused on remittances as a source of rapidly available foreign exchange, tourism and biotechnology as strategic growth poles, and foreign investment that would produce the much-needed capital inflows and technological and managerial expertise to develop these industries and those tied to energy, petroleum, gas and electricity. **The redefinition of property rights in agriculture (promoting cooperatives) and the creation of new institutions (markets) were necessary to spur growth in the availability and distribution of food.** Self-employment was now permitted to help alleviate escalating unemployment. Although these strategies encompassed measures distinctive of economic development debates – such as strategic industrial sectors and export promotion – and of transition-economics' debates – redefining property rights in agriculture and self-employment – they constituted a response to the crisis, and did not propose to redefine the model.

Cuba also had to resort to debt, aid, remittances or foreign investment as a means to attract the much-needed capital. The country was already deeply indebted; however, its creditworthiness was poor, it was not a member of the International Monetary Fund, and it received virtually no aid from foreign governments or international organisations. Cuba's debt was largest with the Soviet Union, but also included bilateral and multilateral debt. The country was unable to borrow from multinational lending institutions because it had defaulted on foreign loans and because the United States threatened to penalise those institutions (Section 104(b) of the Helms-Burton Law) if they granted loans or aid to Cuba (Travieso-Díaz and Trumbull, 2002: 3).

Remittances constituted an important source of foreign currency. **Permits for Cuban residents living outside Cuba to visit their relatives increased and the holding of US dollars was decriminalised after 1993;** thus, significant amounts of dollars came into the country. However, remittances were channelled towards individuals and so did not provide the potential development effects of foreign direct investment: increased employment, asset development and technology transfer (Travieso-Díaz and Trumbull, 2002).

The most important means to obtain foreign capital within the control of the Cuban government was therefore foreign direct investment, yet Cuban policy-makers adopted a cautious stance on encouraging it. Although Cuban Decree-Law No. 50 had existed since 1982, and there had been a few initiatives that had attracted foreign investment in the late 1970s, it was in the midst of the crisis that the country was really pushed to announce that it would pursue foreign investment. Back in the late 1970s,

Cuba's increased foreign indebtedness with Western countries and its need to acquire capital, management expertise and technology had led the government to establish joint ventures and contract manufacturing with Mexico, Japan and Panama (Zimbalist and Eckstein, 1987: 18–19). Domínguez (2004: 22) traces the first significant move toward foreign investment to the June 1990 Political Bureau statement welcoming foreign direct investment and international tourism.

In 1991, the Fourth Party Congress adopted a resolution in favour of the country's economic development that prioritised some sectors, and addressed issues pertaining to macroeconomic policy and management and external trade. Prioritised sectors included food production, tourism, biotechnology and pharmaceutical industries and the recovery of traditional exports to guarantee sustainability. Congress also authorised amending the 1976 Constitution to allow some property rights (Domínguez, 2004: 22). Finally, it confirmed the intention to actively promote and attract foreign investment (Kapcia, 1992: 184), seek to restructure external trade, and identify solutions to external debt and foreign exchange (Álvarez-González, 1995: 12).

The National Assembly of Popular Power approved important changes to the Constitution in 1992 affecting trade and investment; the state now recognised most mixed enterprises and economic associations as new forms of property (Art. 23), and modified its monopoly power over foreign trade (Art. 18), thereby allowing different enterprises to carry out import–export activities. The state also substituted the concept of economic planning regime (Art. 16) with that of 'a plan that guarantees the country's programmed development' (Álvarez-González, 1995: 13).

The Foreign Investment Act, Law No. 77, was passed in 1995. The legal framework for foreign investment set out in this law applied to all sectors of the Cuban economy, except for healthcare and education services, institutions of the armed forces and national defence (other than commercial enterprises of the armed forces) (Art. 10). Law 77 protected property through a bar on expropriations and assurances about indemnification in the event that expropriations might occur for the public good. International companies would now have to hire Cuban employees through a Cuban 'employing entity', paying workers' wages to that entity in 'convertible foreign currency', while the employees received their wages from the entity in Cuban pesos. Among other taxes, Law 77 imposed a 30 per cent corporate income tax (subject to increase for companies exploiting 'renewable or non-renewable natural resources') (Pérez-López and Travieso-Díaz, 2000: 462).

Important new measures and macroeconomic policies were implemented after 1993. These included: the authorisation of alternative business practices including self-employment; basic units of cooperative production; mixed enterprises; the PE system; and markets. Strategic industrial policy targeted growth in the construction and tourist industries, and export growth in the biotechnology and pharmaceutical industries. The state authorised state enterprises, economic associations with foreign capital and other organisations to carry out foreign trade.

The PE, an alternative business restructuring practice implemented after 1998, was most important for foreign investment and trade considerations; it sought to transform the large state enterprises that had been the axis of the development model when Cuba was part of the Soviet Bloc. The PE process required several steps before implementation: authorisation; accounting certification; approved diagnosis of the firm according to

sixteen areas;² and submission of documentation (see *Cuba*, 2006). By November 2002, there were 1,225 enterprises in the authorisation stage, 910 had met accounting certification, 700 had an approved diagnosis, 512 had presented their file and ‘perfecting’ had been implemented in 381 (based on data in Marquetti, 2002: 39). State enterprises under PE enjoyed additional decision-making power and decentralised capabilities, but some of these privileges were re-centralised after 2003, including the ability to make transactions in hard currency, a relative freedom from import controls, and a freedom from controls over tourism enterprises and tourism personnel (Mesa-Lago, 2005: 21–24). PE had an impact on foreign investment and trade. State-owned enterprises undergoing the process became foreign investors’ partners, as all investment that came into the country had to be tied to a local venture. These enterprises were responsible for exports within these arrangements and benefited from technology transfer in operations, management and marketing.

Foreign investment in Cuba increased significantly in the post-1990 period, as recognised by many authors specialising in this topic (Pérez-Villanueva, 2002; Pérez-López, 2004; Morris, 2008). This article assesses foreign investment in Cuba by summarising partial research findings from an analysis of a database³ created by Pérez-López (2004) that was updated to mid-2006. This summary refers to two categories: joint ventures and joint ventures abroad.

Joint ventures (JVs) are associations where a foreign investor partners a Cuban state-owned enterprise to do business in Cuba; the product or service from this association may be sold in Cuba or abroad. Joint ventures abroad (JVAs) are associations where a Cuban state-owned enterprise partners a foreign investor to do business abroad; the product or service generated by a JVA might be sold in the foreign country where the JVA business is located, or in another country.

Figure 1 shows the cumulative number of JVs and JVAs. Once almost non-existent, foreign investment in the form of JVs and JVAs took off dramatically; growth in JVs and JVAs occurred from 1986 to 2005, although the rate of growth decreased after 2001. JV estimates, based on Pérez-López’s database, are relatively close to numbers in Morris (2008: 778), based on Pérez-Villanueva’s work. For each category, Cuban enterprises were partners in almost all foreign investment channelled towards the island.

Cuban enterprises also launched JVAs. Table 1 shows selected cases of JVA in the biotechnology industry. Cuba has taken biotechnology to countries where it can truly make a social difference, as evidenced joint ventures in African and Asian countries.

In the literature, foreign investment reductions after 2001 have been related to several factors: changes in investment and trade policy (such as eliminating small investments), high transaction costs, and cumbersome restrictions, bureaucratic inefficiency and excessive control by the state. International debt defaults or arrears with Japan, Mexico, Spain and Italy affected the investment climate (Spadoni, 2002; Castañeda, 2003;

-
- 2 The sixteen areas were: general organisation, leadership methods and styles, organisation of production and services, organisation and rules for work, the search for policies for quality, labour and wages, planning, contracting, system of financial relations, accounting, internal control, costs, prices, information systems, human resources (‘human attention’), and marketing.
 - 3 Part of the data came from the Cuba Transition Project at the University of Miami, sponsored by USAID. The author obtained permission to use the data for academic research and publication.

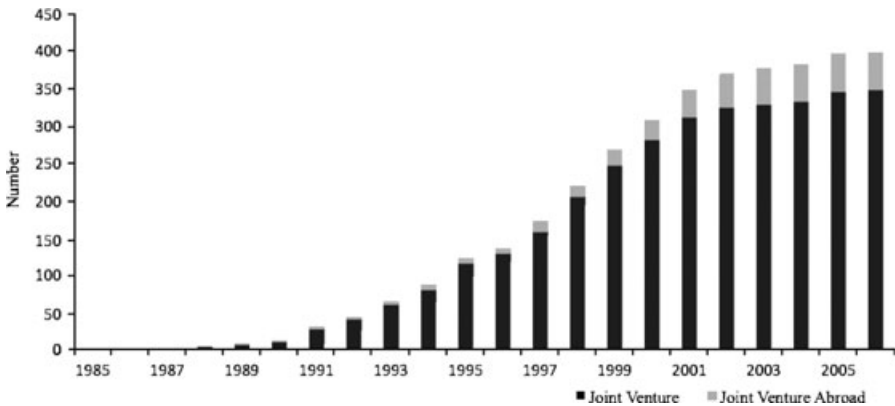


Figure 1. Number of JVs and JVAs in Cuba, 1985–2006.

Table 1. Cuban JVAs in the Biotechnology Industry: Selected Cases, 1991–2004

Nationality of JVA partner (number of cases)	Product (number of JVs for each product)
China (5)	High-tech medical equipment (2); produce kits to detect vaginitis (1); veterinary medicines (1); drugs to treat cancer of the head and neck (1)
India (2)	Hepatitis-B vaccine (1); monoclonal antibodies (1)
Namibia (2)	Generic vaccines and drugs (2)
South Africa (1)	Hepatitis-B vaccine (1)

Source: Elaborated from data available on the website of the Institute For Cuban and Cuban-American Studies at the University of Miami.

Domínguez, 2004), and political considerations played a role, as in 2003 when the European Union imposed sanctions (lifted in June 2008) because political dissidents were imprisoned in Cuba.

Seen against the experience of Eastern Europe and privatisation in Latin America under neoliberalism, whereby governments handed state enterprises over to local and foreign private interests and where social outcomes were generally far from positive, keeping Cuban enterprises government owned enabled the Cuban government to implement a strategic industrial policy that allowed it to position itself favourably under the ALBA, as considered next.

Foreign Investment and Trade 2005–2008: Cuba and the Bolivarian Alternative

When the Special Period crisis emerged, Cuba found itself alone as the only ‘still socialist’ country in the continent. However, the twenty-first century changed the political map favourably, with new left governments gaining or consolidating power in Brazil, Venezuela, Bolivia, Ecuador, Chile and Nicaragua, and a new panorama emerged.

Trade and investment alternatives then took on new forms under ALBA, first announced in 2004 by Hugo Chávez. Cuba and Venezuela realised the first Strategic Agreement within ALBA in 2005, establishing cooperation initiatives in trade, investment, energy, health and education. As in the 1972–1991 CMEA period, Cuba once again became a member of an alternative regional integration bloc, linked to socialist ideas.

Cuba has established commercial and diplomatic relations with many other countries and international associations. These include its Cuba Bilateral Cooperation Programme with Canada since 1994, as well as trade-related agreements with China in 2003, South Africa in 2003 and Iran in 2005. Cuba is also a member of the Non-Aligned Movement, the Group of 77, the Latin American Economic System and the Association of Caribbean States. It is a beneficiary of many Generalised Systems of Preferences, except the one involving the United States, and has moved towards strengthening a working relationship with the Caribbean Common Market (CARICOM) and with the South American Common Market (MERCOSUR). The 2000–2005 period signalled a shift towards trade-related agreements and the strengthening of ALBA, particularly with Venezuela and Bolivia, and saw a corresponding shift in trade exchange towards America (including Canada) and Asia (particularly China) rather than Europe.

Trade with the United States was partly liberalised in 2001. Under the Appropriations Act, the US Congress lifted sanctions on food, agricultural products, and medicines to Cuba (among other countries) (Title IX of H.R. 5426, as enacted by P.L. 106–387; Trade Sanctions Reform and Export Enhancement Act of 2000). As a result, the United States sold (in cash) almost \$1.25 Billion to Cuba from December 2001 to April 2006, but later tightened terms by requiring that payments in cash be delivered prior to shipping of goods from US ports instead of on arrival to Cuban ports (NFU, 2006).

The most significant process for the Cuban revolution, however, has been its insertion into the ALBA, with Venezuela becoming its strongest trade partner. Cuba has indeed played a key role in developing ALBA, which is both an economic development model and a transition-economics model. The term ALBA emerged when Hugo Chávez introduced it during the Americas Summit at Québec in 2001 as an alternative to the Free Trade Area of the Americas (FTAA) proposed by the US government. The Bolivarian Alternative is structured around fair and solidarity trade, energy, investment, finance, food security, education and health. As a development project with social inclusion at the national and regional levels, it has generated significant processes of change within Venezuela and throughout the region. There are two levels at which countries participate in ALBA: as full members or as countries ascribing only to particular programmes. Full-members and dates of inclusion are, respectively: Cuba in 2005, Bolivia in 2006, Nicaragua in 2007, Dominica and Honduras in 2008, and Saint Vincent and the Grenadines in 2009.

On 28 April 2005, Cuba and Venezuela agreed to a Strategic Plan within ALBA that envisaged cooperation in education, health services, trade, and mining and petroleum extraction. Bolivia's President Evo Morales also signed an agreement with Cuba within the context of the ALBA in April 2006. Other countries participate primarily in energy and cooperation agreements.

'Fair and solidarity' trade that seeks to advance socialist ideals is an important goal within ALBA. Trade within ALBA is articulated around traditional and innovative parameters and mechanisms: traditional parameters include import–export trade under preferential terms typical of economic development and international trade policies. Fair and solidarity trade functions through compensated trade agreements (CTA) and can be associated to transition-economics policies. Through CTAs, each country proposes

concrete actions and presents what it needs and what it can give/offer. These agreements compensate goods and services according to the needs and capabilities of each.

Energy agreements in which Cuba participates are structured around Petrocaribe, which was established in 2005 and includes other countries not in ALBA. ALBA countries, plus Haiti, derive an extra benefit from Petrocaribe: 90 days' credit to pay for half of its oil invoice total, with product exchange being partially accepted as means of payment. For the remaining 50 per cent balance, a direct loan is extended for half of it (25 per cent) under favourable terms and the other half (25 per cent) is channelled to the ALBA-Caribbean Fund to carry out social and economic projects within the importing country. The ALBA-Caribbean fund is a new institutional development destined to become a major player in regional financing (Girvan, 2008:8).

Petróleos de Venezuela Sociedad Anónima (PDVSA; Petroleum of Venezuela Limited Liability Company) supplies approximately 35 per cent of Cuba's oil under generous financing terms. As a result of the value of oil exports, Venezuela is now Cuba's leading trade partner, and Cuba is also now carrying out exploration to ascertain offshore oil reserves' existence. Castañeda (2003) has pointed to Cuba's rising oil bill debt with Venezuela, and has asserted that Cuba's state-owned and state-operated oil company has fallen behind on payments to Venezuela repeatedly since 2000.

Trade and energy agreements and the transactions they entail are partially carried out through strategic CTAs; in the case of Cuba, the island receives petroleum at preferential prices and terms and pays back partly in medical services that Cuban personnel offer in the *Barrio Adentro* (Inside the Popular District) Mission in Venezuela and in medical services that Venezuelans receive in Cuba. Missions are defined as 'massive strategies oriented toward guaranteeing the basic rights of the population, with an emphasis in the most excluded sectors' (see PDVSA, 2005). In many cases, Missions are the vehicles through which compensations are paid off through services within the CTAs.

Compensated trade with Venezuela has improved the income from services for Cuba to the point of almost balancing its external finances in recent years. Cuba's role within ALBA contributes to the social inclusion of the region's poor and grants some privileges to Cuban professionals (travelling, earning an income higher than the one they would get in Cuba and being able to bring consumer electronics into the country, although these professionals get paid in pesos and thus don't receive competitive international salaries for their work). Cuba benefits from one of its competitive advantages created by the Revolution – a highly qualified and trained human capital – in what Monreal has called the Cuba-Bolivarian Matrix (Monreal, 2008).

Investment is articulated around local and regional state enterprises with complementarities and needs in mind, rather than around foreign enterprises and production for export. The most significant aspect of the ALBA agreements affecting foreign investment in Cuba is the emergence of 'regional mixed-state enterprises' as a new form of governance through which to concretise the agreements. Martha Lomas, Cuban minister of Foreign Investment, has identified 26 mixed enterprises contemplated under the Cuba-Venezuela Cooperation agreements (*El Universal*, 2008).

Significant achievements have also been attained in education and health, both in Venezuela and in ALBA member countries. The United Nations declared Venezuela and Bolivia as (respectively) the second and third illiteracy-free territories (after Cuba) in Latin America. Within ALBA, 30,000 Cuban doctors offer their services free of charge for the population; there are 600 medical specialists in Bolivia; 70,000 students are being educated in health-related areas; and almost 1 Million people have received eye surgery (Girvan, 2008:6). However, for some (Mesa-Lago, 2008: 23, 25), these

positive outcomes allowed Castro to 'retrench' and reverse the economic reforms of the 1991–1996 period.

Conclusions

Cuba's insertion into ALBA is part of the larger framework that is attempting to achieve both an alternative regional integration model and an alternative transition-economics model for what is called 'twenty-first century socialism'.

Viewed in terms of the economic development/transition-economics debates, this latest period has witnessed some positive elements in the adaptation of the economic development model. Some of Carranza (2002) and Monreal's (2002) points have been partially fulfilled: creation of a new structure to guarantee the country's insertion into the international economy; and identification and selection of sectors and activities that would constitute the new economic structure based on social and political considerations (see Carranza, 2002: 41–44). Some elements of a new productive structure have been established, particularly Cuba's integration strategy, based on local enterprises and alternative regional integration agreements. Selected sectors and activities that would constitute elements of the new productive structure have also been activated. Some of these sectors are characterised by Ritter's (2005) argument about linking this model with a knowledge economy, particularly the activities tied to the biotechnology industry and the role in education that Cuba plays within ALBA. These processes have initiated changes in the export diversification mix called for by Carranza (2002), Monreal (2002) and Ritter (2005).

Where the economy has been less successful is in bringing about the changes related to an alternative 'transition-economics model', as is the case with the restructuring of business practices and the central planning mechanism (one of Carranza's [2002] and Monreal's [2002] points). Ahead, within the new panorama of the region, Cuba faces the challenge of furthering economic restructuring that will bring about the profound changes still pending for its business alternatives and other institutional changes, and that imply and require a profound analysis of what 'twenty-first century socialism' means and needs.

Yet the world financial crisis might still complicate this panorama, as it could bring about a reduction in exports, decreases in commodity prices, tourism, remittances and foreign investment flows that might hurt the Cuban economy. As counter-tendencies, the de-integration of Cuba from the international financial system, forced by the United States, might yet protect the island from the impact of the crisis and reductions in remittances (such as the US-imposed ceilings on the remittances). Furthermore, Cuba's integration into the Río Group in late 2008, as well as new cooperation agreements with Brazil and Iran, might help the Cuban economy diversify risk.

With Barack Obama's electoral triumph, the prospects for an easing of the embargo could improve. Although Obama has not made a specific pronouncement on the embargo after winning the elections, he has lifted restrictions on Cuban–American travel, opened up the definition of family categories allowed to receive remittances and expressed willingness to meet Castro.

But it is the new structure linked to ALBA that is truly promising if political continuity is achieved in the region, because reinsertion into an alternative regional bloc (ALBA) might help bring about changes for 'twenty-first century socialism'. ALBA has broken away from the parameters of traditional trade agreements and is redefining relations in terms of cooperation, complementarities and solidarity. ALBA is located within the

new political context of the region where progressive governments have come to power in an increasing number of countries.

In trade, the incorporation into ALBA is moving Cuba closer to a transition-economics model in regional integration, promoting the advancement of socialism. Such an initiative has no parallel in the region's history, and in that sense, it places Cuba again at the forefront of creating alternatives for which there is not yet a theoretical model.

Acknowledgements

I am grateful to the University of Puerto Rico for research funding that supported this project. I would also like to thank C. A. Alvarez-Swihart and L. Rodríguez.

References

- Alonso, J. and Galliano, R. (2001) 'Russian Oil-for-Sugar Barter Deals 1989–1999'. *Cuba in Transition* 9: 335–341 [WWW document]. URL <http://lanic.utexas.edu/la/cb/cuba/asce/cuba9/alonso.pdf> [accessed 29 June 2008].
- Álvarez-González, E. (1995) 'La Apertura Externa Cubana', *Cuba Siglo XXI* 1: 1–24 [WWW document]. URL http://nodo50.org/cubasigloXXI/economia/ealvarez_300605.pdf [accessed 2 May 2007].
- Aponte, M. and Álvarez, C. (2002) 'Integración Regional y Globalización Económica: Un Discurso Problemático Para América Latina y el Caribe', in E. Pantojas y and G. González (eds.) *El Caribe en la Era de la Globalización*. Publicaciones Puertorriqueñas y Centro de Investigaciones Sociales, Universidad de Puerto Rico: Río Piedras, 76–134.
- Barredo-Medina, L. (2008) *50 Years on... and the Same Challenge of Making a Revolution* [WWW document]. URL <http://www.granma.cu/ingles/2008/diciembre/mar30/Revolution.html> [accessed 30 December 2008].
- Brundenius, C. (1984) *Revolutionary Cuba: The Challenge of Economic Growth With Equity*. Westview Press: Boulder.
- Carranza, J. (2002) 'The Cuban Economy During the 1990s: A Brief Assessment of a Critical Decade', in P. Monreal (ed.) *Development Prospects in Cuba: An Agenda in the Making*. Institute of Latin American Studies, University of London: London, 30–46.
- Castro, F. (1975) *La historia me absolverá*. Editorial de las Ciencias Sociales: La Habana, Cuba.
- Castañeda, R. (2003) 'The Cuban External Sector in 1989–2002: Some Observations on Achievements, Failures and Challenges', *Cuba in Transition* 13: 133–150 [WWW document]. URL <http://lanic.utexas.edu/project/asce/pdfs/volume13/castaneda.pdf> [accessed 29 June 2008].
- CEPAL-Comisión Económica Para América Latina y el Caribe –CEPAL (2008) *Cuba: Evolución Económica Durante 2007 y Perspectivas Para 2008* [WWW document]. URL <http://www.eclac.org/publicaciones/xml/4/34284/L885.pdf> [accessed 26 June 2008].
- Commission for Assistance to a Free Cuba (2004) 'Report to the President', foreword C. L. Powell, 6 May [WWW document]. URL <http://www.cafc.gov/cafc/rpt/2004/> [accessed 15 January 2008].
- Commission for Assistance to a Free Cuba (2006) 'Report to the President', C. Rice and C. Gutiérrez, July [WWW document]. URL <http://www.cafc.gov/documents/organisation/68166.pdf> [accessed 3 July 2008].
- Crotty, J. and Epstein, G. (2008) *Proposals for Effectively Regulating the US Financial System to Avoid Yet another Meltdown*. Working Paper 2008–15, University of Massachusetts, Political Economy Research Institute [WWW document]. URL <http://www.peri.umass.edu/> [accessed 8 January 2009].

- Deere, C. D., et al. (1990) *In the Shadows of the Sun: Caribbean Development Alternatives and US Policy*. Westview Press: Boulder, CO.
- Domínguez, J. (2004) 'Cuba's Economic Transition: Successes, Deficiencies, and Challenges', in J. Domínguez, O. Pérez-Villanueva and L. Barberia (eds.) *The Cuban Economy at the Start of the 21st Century, The David Rockefeller Centre Series on Latin American Studies*. Harvard University: Cambridge, 17–49.
- Dye, A. (1998) *Cuban Sugar in the Age of Mass Production: Technology and the Economics of the Sugar Central, 1899–1929*. Stanford University Press: Stanford, CA.
- Eckstein, S. (1994) *Cuba Under Castro*. Princeton University Press: Princeton, NJ.
- El Universal* (2008) 'Venezuela y Cuba ejecutarán proyectos por \$1.3 millardos', 18 January [WWW document]. URL http://buscador.eluniversal.com/2008/01/18/economia/art_venezuela-y-cuba-eje_676641.shtml [accessed 29 June 2008].
- Espina, M. (2008) 'Viejas y Nuevas Desigualdades en Cuba. Ambivalencias y Perspectivas de Reestratificación Social'. *Nueva Sociedad* 216: 133–149.
- Girvan, N. (2008) ALBA, Petrocaribe and CARICOM. Issues in a New Dynamic. [WWW document]. URL <http://www.normangirvan.info/alba-petrocaribe-and-caricom-norman-girvan-3/> [accessed 24 May 2009].
- Green, B. (1996) *Capital and Class in Cuban Development: Restructuring the Socialist Economy* [WWW document]. URL <http://ir.lib.sfu.ca/bitstream/1892/8451/1/b18318976.pdf> [accessed 29 June 2008].
- Grogg, P. (2008) *A New Model in the Making?* [WWW document]. URL <http://ipsnews.net/news.asp?idnews=4248> [accessed 15 June 2008].
- Hare, P. (2007) *Trade and Foreign Investment Under Central Planning* [WWW document]. URL <http://www.sml.hw.ac.uk/ecopgh/EconTrans2007-PGH.ppt> [accessed 4 June 2008].
- Institute For Cuban and Cuban-American Studies University of Miami (2002–2006) Cuba Transition Project website [WWW document]. URL <http://ctp.iccas.miami.edu/spn/main.htm> [accessed Summer 2007].
- Kapcia, A. (1992) 'The Fourth Congress of the Cuban Communist Party: Time for a Change?' *Journal of Communist Studies and Transition Politics* 8: 180–186.
- Kotz, D. M. (2005) *The Role of the State in Economic Transformation: Comparing the Transition Experiences of Russia and China*. Working Paper 2005–04, University of Massachusetts, Amherst [WWW document]. URL <http://www.umass.edu/economics/publications/papers00.html> [accessed 15 January 2007].
- Marquetti, H. (2002) 'El Sistema Empresarial Cubano', unpublished article prepared for the Cuba-Puerto Rico Comparative Project, University of Puerto Rico, Río Piedras.
- Mesa-Lago, C. (2000) *Market, Socialist and Mixed Economies: Comparative Policy and Performance in Chile, Cuba and Costa Rica*. John Hopkins University Press: Baltimore, MD.
- Mesa-Lago, C. (2005) *La Economía Cubana Hoy: ¿Salvación o Condena?* [WWW document]. URL http://ctp.iccas.miami.edu/Research_Studies/CMesaLago2005SPA.pdf [accessed 3 March 2006].
- Mesa-Lago, C. (2008) *The Cuban Economy at the Crossroads: Fidel Castro's Legacy, Debate Over Change and Raúl Castro's Options*. Working Paper 19/2008–11/6/2008 [WWW document] URL www.realinstitutoelcano.org/wps/portal/rielcano_eng/Content?WCM_GLOBAL_CONTEXT=/Elcano_in/Zonas_in/Latin+America/DT19-2008 [accessed 7 September 2008].
- Monreal, P. (ed.) (2002) *Development Prospects in Cuba: An Agenda in the Making*. Institute of Latin American Studies, University of London: London.
- Monreal, P. (2008) 'Cuban Development in the Bolivarian Matrix', in D. Fireside, P. Morales, A. Reuss, C. Thornton and C. Tilly (eds.) *Real World Latin America: A Contemporary Economics and Social Policy Reader*. Dollars and Sense and North American Congress on Latin America: Boston, 17–23.

- Moreno-Fraginals, M. (1978) *El Ingenio*, Vol. I. Editorial de Ciencias Sociales: HavanaHavaH.
- Morris, E. (2008) 'Cuba's New Relationship With Foreign Capital: Economic Policy-Making Since 1990'. *Journal of Latin American Studies* 40: 769–792.
- NFU (2006) 'NFU Supports Cuba Trade' [WWW document]. URL <http://nfu.org/news/2006/06/16/nfu-supports-cuba-trade.html> [accessed 20 February 2008].
- Palánkai, T. (2008) *The Growth of Market and Business Opportunities in Central and Eastern Europe* [WWW document]. URL http://isp.uni-corvinus.hu/fileadmin/user_upload/hu/gazdalkodastudomanyi_kar/files/ISC/course_material/bus791/5opening.ppt [accessed 15 May 2008].
- PDVSA (2005) Website [WWW document]. URL <http://www.pdvsa.com/> [accessed 1 June 2009].
- Pérez, S. (1983) 'Cuba en el CAME. Una integración Extracontinental'. *Nueva Sociedad* 68: 131–139 [WWW document]. URL http://www.nuso.org/upload/articulos/1108_1.pdf [accessed 1 May 2007].
- Pérez-López, J. (2004) 'Foreign Investment in Cuba: An Inventory'. *Cuba in Transition* 14: 103–115 [WWW document] URL <http://lanic.utexas.edu/project/asce/pdfs/volume14/perezlopez.pdf> [accessed 1 February 2006].
- Pérez-López, J. and Travieso-Díaz, M. (2000) 'The Contribution of BITs (Bilateral Investment Treaties) to Cuba's Foreign Investment Program'. *Cuba in Transition* 10: 456–480 [WWW document] URL <http://lanic.utexas.edu/la/cb/cuba/asce/cuba10/plandtravieso.pdf> [accessed 28 March 2004].
- Pérez-Villanueva, O. E. (2002) 'La Inversión Extranjera en Cuba', unpublished article prepared for the Cuba-Puerto Rico Comparative Project, University of Puerto Rico, Río Piedras.
- Ritter, A. (2007) 'Cuba's Strategic Economic Reorientation', *Cuba in Transition* 16: 140–154 [WWW document] URL <http://lanic.utexas.edu/project/asce/pdfs/volume16/pdfs/ritter.pdf> [accessed 15 January 2008].
- Spadoni, P. (2002) 'Foreign Investment in Cuba: Recent Developments and Role in the Economy', *Cuba in Transition* 12: 158–178 [WWW document] URL <http://lanic.utexas.edu/project/asce/pdfs/volume12/spadoni.pdf> [accessed 8 June 2005].
- Travieso-Díaz, M. F. and Trumbull, C. P. IV (2002) 'Foreign Investment in Cuba: Prospects and Perils'. *Cuba in Transition* 12: 179–197 [WWW document] URL <http://lanic.utexas.edu/project/asce/pdfs/volume12/travieso.pdf> [accessed 10 May 2006].
- United States International Trade Commission (2001) *The Economic Impact of US Sanctions*, With Respect to Cuba. Investigation No. 332–413. Washington: United States International Trade Commission [WWW document]. URL <http://www.usitc.gov/publications/pub3398.pdf> [accessed 20 February 2004].
- Yaffe, H. (2004) *Ernesto 'Che' Guevara's Contribution to Socialist Political Economy Industrial Organisation and Economic Development in Cuba 1959–1965*. IV Conferencia Internacional 'La obra de Carlos Marx y los Desafíos del Siglo XXI' La Habana, Cuba. [WWW document]. URL http://www.nodo50.org/cubasigloXXI/congreso08/conf4_yafeh.pdf. [accessed 14 March 2006].
- Zimbalist, A. and Eckstein, S. (1987) 'Patterns of Cuban Development: The First Twenty-five Years', in A. Zimbalist (ed.) *Cuba's Socialist Economy Towards the 1990s*. Lynne Rienner Publishers: Boulder and London, 7–24.

Films

Cuba. A Video Collection on the Emerging as Alternative. Business and Social Practices for a Dialogic Pedagogy, 2006. Video. Río Piedras: Social Science Research Center, University of Puerto Rico and EducArTec.

Copyright of *Bulletin of Latin American Research* is the property of Blackwell Publishing Limited and its content may not be copied or emailed to multiple sites or posted to a listserv without the copyright holder's express written permission. However, users may print, download, or email articles for individual use.