**Cuba Economy Fact Sheet**

**Key Acronyms**

* **INRA-** The National Institute for Agrarian Reform. Created under the First Agrarian Reform Law on May 17th, 1959.
* **ANAP-** The National Association of Small Farmers. Was created to help the government manage private farms.
* **JUCEPLAN-** A central planning agency.
* **SDPE-** The System of Direction and Planning of the Economy. A planning system that Soviet advisers helped implement. Introduced their first Five-Year Plan in 1975.
* **UBPC-** Unidades Básicas De Producción Cooperativa. Agricultural Co-operatives introduced to replace the State Farms during the Special Period. Was still under the control of the Government.

**First Agrarian Reform Law**

* Created the National Institute for Agrarian Reform, or INRA.
* Placed a 1000-acre limit on land holdings.
* Cattle ranches alongside sugar and rice plantations could hold over 3000 acres.

**Opposition to Reforms**

* **US-owned businesses-** Land reforms and nationalization lost them land, money, and other assets.
* **Upper class-** They now had to pay their workers more and their power over their businesses and land was taken away.
* **Less extreme members of government-** They saw the new reforms as too extreme.

**Early Industrialization Attempts**

* Refineries, factories, and banks owned by American Companies were nationalized.
* Cuban-owned businesses were also nationalized.
* Further industrial development proved too difficult for the government to carry out.

**Reemphasis on Sugar Production and the ’10 Million Harvest’**

* In 1966, Cuba made a deal with the USSR to provide 5m tonnes of sugar in 1968 and 1969.
* Harvests of 1968 and 1969 only yielded 3.7 million tonnes.
* Castro then launched a plan to increase the Sugar Harvest for 1970 to 10 million tonnes.
* The ‘10 Million Harvest’ failed to achieve the set goal, but it still achieved the highest yield Cuba had seen, 8.5m tonnes.
* The 1971 yield was 5.9 million tonnes, this improved production was maintained during the 1970s. This enabled Castro and his government to successfully undertake new policies.
* While the Sugar Harvest of 1970 was great, it still failed to reach Castro’s goal.
* Castro himself took responsibility for this failure, improving his standing with the population.

**Cuba In the 70s and 80s**

* Took on Soviet advice on economy, until Castro began his ‘reclamation’ campaign.
* From May 1986, various anti-market measures were introduced, and Castro advocated for moral incentives as a way of motivating workers.
* Overall, it was a return to a more centralized economy.
* Many Cubans fled the country to escape economic hardship.

**Collapse of the Soviet Union and the Special Period**

* Mikhail Gorbachev began to reduce Soviet Subsidies prior to the USSR collapse.
* without the subsidies Cuba’s economy once again relied solely on the global market.
* In 1990, the world price of Sugar was $602 per tonne, by 1992, it had dropped to $200 per tonne.
* External finances provided by the Soviet Union dropped from $3 billion in 1989 to nothing in 1992.
* Prior to 1990, Cuba gained 63% of their food from the USSR.
* Without the USSR, food shortages occurred, and Rationing was introduced in March 1990.
* Castro allowed major policy changes to keep the country afloat.
* The use of the US Dollar was allowed in August 1993.

**Recovery**

* In 2003, a new programme of market re-centralization was introduced.
* The dollar was no longer legal tender in Cuba.
* Ministry for Foreign Trade was recreated to re-establish control over imports and exports.

**Rich vs Poor**

Throughout Castro’s regime the poor benefitted but the rich suffered, in comparison to their positions prior to the Revolution. Of course, Cuba itself suffered at times, but Unemployment was virtually eliminated, Wages rose, and the gap between Rich and Poor was significantly reduced.

**Was Castro Successful?**

One of Castro’s first goals was to end the Cuban economy’s reliance on Sugar, and in this he failed. It wasn’t until after the Special Period and into the 21st Century that Cuba finally closed a large amount of Sugar mills and managed to diversify the economy. Another goal was to end the dominance of other nations over Cuba, and again Castro failed in this. He managed to end American Imperialism over Cuba, but he effectively was then forced to rely solely on the USSR. Essentially, he swapped one superpower for the other. Cuba did eventually escape this dominance, but only once after the Soviet Union collapsed. Furthermore, Cuba’s economy is still on the weaker side and its relationship with the USA is still somewhat tense. However, while Castro did not initially meet these goals, he did eventually. Moreover, his ability to keep the country, economy, and regime afloat during the Special Period is commendable, as Cuba should really have collapsed during the economic crisis that occurred once its main food source and trade partner was gone. Instead, Castro’s regime and ideas are still present in the Cuban government today, even after his death.