

# Chapter 14

## Republic of Cuba (República de Cuba)

### Chapter Preview

#### *People*

Christopher Columbus, Fulgencio Batista, Fidel Castro, Raúl Castro

#### *Places*

Isle of Youth (Isla de la Juventud), Turquino Peak (Pico Turquino), Havana

#### *Terms*

islet, blackout, Spanish-American War, embargo, Cuban Missile Crisis, unitary government, National Assembly of People's Power, Cuban convertible peso (CUC), Cuban peso (CUP), mestizo, emigration, normalization, embassy

**Top:** The royal palm is Cuba's national tree. **Background:** Castillo de los Tres Reyes Magos del Morro (Morro Castle) guards the entrance to Havana Bay as it has since 1589.



Most people in the United States have only heard stories about Cuba—of its architectural splendor, hand-rolled cigars, or the beat of the salsa. To modern Americans, Cuba was largely known as an island nation in the Caribbean, just south of Key West, Florida, that US citizens could not visit. Others in the United States know Cuba through family members living in the United States after they fled Cuba in the 1960s. During that same time period, Cubans only knew the United States through school history books filled with communist propoganda. Most Cubans knew their neighbor as an enemy.

What comes to mind when you hear people talk about Cuba? Many people think of an island nation, Fidel Castro, the Cuban Missile Crisis, emigrants, and the economic embargo. However, these reminders of the past are changing. Many of these ideas are a product of Cuba’s history and role during the Cold War. Cuba was a communist nation with close ties to the Soviet Union. This fact and its location just a short distance from Florida increased tensions between Cuba and the United States.

Today, Cuba is undergoing political and economic reforms, and relations between the United States and Cuba are improving. In 2015, Cuba and the United States reopened embassies in each other’s countries that had been closed for over 50 years. The next year, about 450,000 American tourists visited Cuba. The country expects millions more to follow.

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*I was not chosen to be president to restore capitalism to Cuba. I was elected to defend, maintain and continue to perfect socialism, not destroy it.*

- Raúl Castro,  
leader of Cuba

**Top:** A yellow classic American automobile navigates the streets of Havana. **Above:** A rumba dancer and musicians share their talents on Havana’s streets.

# PASSPORT



**Official Name:** Republic of Cuba

**Capital:** Havana

**Form of Government:** communist state

**Head of Government:** President of the Council of State and President of the Council of Ministers

**Head of State:** President of the Council of State and President of the Council of Ministers

**Suffrage:** 16 years of age; universal

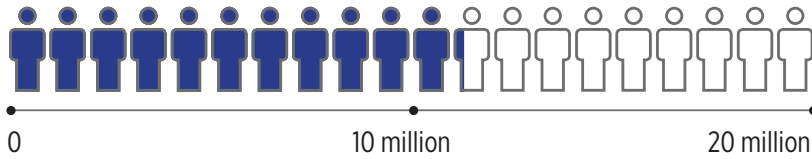
**Currency:** Cuban peso



**Top:** Flag of Cuba. **Top Right:** Coat of arms of the Republic of Cuba. **Middle Left:** El Capitolio, the National Capitol building, in the city of Havana. **Middle Right:** In 2018, Miguel Díaz-Canel was elected president of Cuba when Raúl Castro retired. **Right:** Cuban pesos.

# CULTURE CONNECTION

## POPULATION

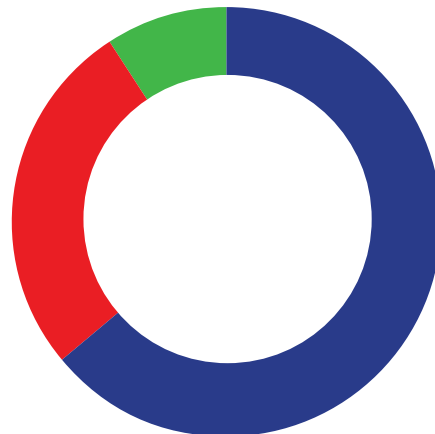


**Cuba**  
11,179,995 (est. July 2016)  
Population Rank 78

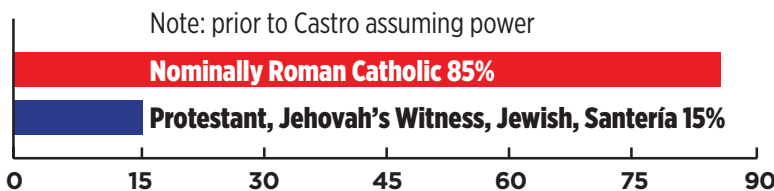
**United States**  
324,386,000 (est. 2017)  
Population Rank 3

## ETHNIC GROUPS

- White 64%
- Mestizo 27%
- Black 9%



## RELIGION



## FUN FACTS

The Gardens of the Queen National Marine Park covers 850 square miles of small islands and underwater coral reefs. It is one of the most unspoiled habitats in the Caribbean Sea.

### Official Language:

Spanish

### Phrases in Spanish

- Hello** – Hola
- Goodbye** – Adiós
- Do you speak English?** – Hablas inglés?
- Line (like the one you stand in while waiting)** – cola
- The end? (as in, Is this the end of the line?)** – el último
- Good night** – Buenas noches
- See you later** - Hasta luego



## LIFE EXPECTANCY

**Average** 78.7 years  
**Male** 76.4 years  
**Female** 81.1 years



## EDUCATION

**Literacy** 99.8%  
**Education Expenditures** 12.8% of GDP  
**Rank** 2

**Background:** The destruction of the USS *Maine* in Havana harbor (1898) led to the Spanish-American War.

**Below:** Che Guevara and Fidel Castro were leaders of the revolution against dictator Fulgencio Batista. **Bottom:** US planes photographed Soviet missiles as part of the Cuban Missile Crisis in 1962.

# TIMELINE OF CUBA HISTORY



Figure 14.1



1400

1492 Christopher Columbus landed in Cuba

1500

1511 First European settlement in Cuba

1800

1868 Ten Years' War started

1878 Ten Years' War ended

1886 Slavery abolished in Cuba

1898 USS *Maine* blown up in Havana harbor  
Spanish-American War began

1900

1902 Cuba became an independent country

1952 Fulgencio Batista became dictator

1959 Fidel Castro became Cuba's communist dictator

1960 United States imposed an embargo on Cuba

1961 United States broke diplomatic relations with Cuba

1962 Cuban Missile Crisis

1976 Cuban constitution gave citizens free health care

1991 Collapse of the Soviet Union brought hard times to Cuba

2000

2008 Raúl Castro succeeded his brother Fidel as president

2011 Cuban Communist Party Congress met

2014 United States and Cuba restored diplomatic relations

2015 United States eased some embargo restrictions

Barack Obama and Raúl Castro met at the Summit of the Americas

2016 Fidel Castro died



**Area:** 42,803 sq mi  
**Area Rank:** 106

**Natural Resources:** cobalt, nickel, iron ore, chromium, copper, salt, timber, silica, petroleum, arable land

**Environmental Issues:** air and water pollution; biodiversity loss; deforestation

**Map 14.1**  
**Cuba**

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**Map Skill:** Name the countries that surround Cuba.

**Right:** Aerial view of Havana.



## Section 1

# The Geography of Cuba


 Setting a Purpose

## As you read, look for

- ▶ the location of Cuba;
- ▶ how geography and climate affect where people live in Cuba;
- ▶ natural resources in Cuba;
- ▶ terms: **islet**, **blackout**.

## Location and Size of Cuba

The Republic of Cuba is the largest nation in the Caribbean. It is about the size of Tennessee but is smaller than Georgia. Cuba is located in the western and northern hemispheres. It is bounded by the Gulf of Mexico to the northwest, the Atlantic Ocean to the northeast, and the Caribbean Sea to the south. Located about 90 miles south of Key West, Florida, Cuba consists of one large island and some 1,600 **islets** (small islands).

The main island of Cuba has a land area of 42,803 square miles with a length of about 780 miles. At its widest, the island is about 120 miles across but only about 20 miles across at its narrowest point. The next-largest island is the Isle of Youth (Isla de la Juventud), located south of the main island, with a land area of 850 square miles. The remaining islets that form Cuba have a combined total of 1,434 square miles.



**Above:** A lionfish swims near colorful corals at Cayo Largo, a small resort island of Cuba.



## Physical Geography of Cuba

About two-thirds of Cuba is a mostly flat to rolling plain with an average elevation of about 350 feet above sea level. This land has been used over the centuries for farming. There are also hills and mountains with the highest mountain, Turquino Peak (Pico Turquino) in the southeast, reaching nearly 6,500 feet above sea level. Cuba has over 3,500 miles of beautiful coastline that attracts tourists from around the world.

Many of the largest cities in Cuba are on or near the coast. About 77 percent of Cubans live in urban areas. Approximately 20 percent of them live in the capital and largest city, Havana. Many workers in the urban areas have jobs in manufacturing. A large number have jobs in service professions such as education, health care, government, and tourism. Cuba's location on ocean trading routes has been an important influence on its history and current economy.

## Climate of Cuba

Cuba lies just south of the Tropic of Cancer (the imaginary line marking latitude 23.5° N). This location gives the country a tropical climate, which means Cuba is warm to hot all year long. However, the temperatures are moderated by trade winds throughout the year that move the air and provide relief from the heat. There is a rainy season from May to October, and there is a dry season from November to April. This warm climate makes Cuba seem like the perfect place to live for those who love tropical temperatures with a gentle breeze to keep things from getting too hot.



**DID YOU KNOW?**

The islands of Cuba are part of an archipelago, or group of islands, called the Antilles (or the West Indies).



**Top Left:** The town of Trinidad is in central Cuba on the southern coast in a valley long known for its sugarcane production. **Top Right:** Cuban children enjoy the warmth of a tropical climate. **Bottom:** Calm turquoise waters and a tropical sun make the town of Varadero ideal for tourism.



Cuba's location and climate also make it a target for hurricanes. The warm tropical waters provide energy for the storms, which begin spinning off the coast of Africa once they contact the warm waters of the Atlantic Ocean. As the storms move west, they often move across islands in the Caribbean, including Cuba. Not only are hurricanes devastating

to Cubans when they happen, but some may have a long-term impact. Because the highest chance for hurricanes is from June to October, hurricane season coincides with the natural rainy season. In the past, hurricanes have damaged the small island country with tremendous loss of life and torrential flooding that wiped out crops.

### Natural Resources of Cuba

About 28 percent of Cuba's land is arable. This is more than a quarter of the island. Cuba makes good use of this land by growing not only crops for its own people but also crops to sell to other countries. For centuries, sugarcane plantations have been a major source of income for Cuba. This is true today, with sugar being the country's most important export. Coffee, fish, fruits, and tobacco products are traded to other countries as well. Cuba is known for its cigars. This tobacco product is highly prized by many people and provides a good income to the country. Cuba's location on the ocean gives it easy access to rich fishing waters. Fishing provides food for Cubans, and it gives the country another product to export.

Cuba has timber and mineral resources that include cobalt, nickel, iron ore, chromium, copper, salt, silica, and petroleum. Nickel accounts for 21 percent of Cuba's exports. This mineral is used in manufacturing stainless steel as well as electronic and automotive parts. After the sugarcane crop, nickel is perceived as Cuba's second most valuable natural resource.



**Above:** This sugarcane field is near the town of Viñales. Sugar is Cuba's most important export. **Bottom:** A Cuban farmer tends to his tobacco crop. Cuba is well known for its cigars made from local tobacco.



Cuba has a beautiful natural landscape and wonderful beaches. These features have made tourism one of the fastest-growing industries in the country. Tourists from Canada, Europe, and Latin America bring money to the island and provide jobs for the people. Hotels are being built or renovated to attract even more tourists. Even though Cuba is a communist country where the government owns or controls most farms and businesses, it is using its natural gifts to sustain its economy and provide the rest of the world with a glimpse at its beautiful scenery.

When the Soviet Union collapsed in 1991, Cuba faced difficult times. Cuba does not have the resources to supply all of its energy needs. Today, Venezuela sells oil to Cuba at a reduced price, but Cuba cannot sell enough goods to buy everything its people need. In order to save energy, the government sometimes orders businesses and factories to close. The government also orders **blackouts**, or times when all electricity to a region is cut off.

## Reviewing the Section

1. Where do most people live in Cuba? What types of jobs do they have?
2. What are Cuba's most valuable agricultural products? How does its climate impact the growing season?
3. How is tourism affecting Cuba?
4. After what significant event did Cuba begin to experience hard times? To what country did the government turn for help with natural resources the people need?
5. Deeper Thinking: Why do you think the Cuban government has to order blackouts for certain regions? How does this affect how the people live?



## DID YOU KNOW ?

The name "Cuba" comes from the Taíno Indian name for the island *Coabana*, which means "great place."

**Top Left:** An oil refinery in Cuba. **Top Right:** Improving relations between the United States and Cuba may encourage Americans to visit Cuba as part of a vacation cruise. Cubans hope cruises will improve their tourism industry. **Above Right:** Using pumps like these, Cuba is able to supply some of its oil demand.

# special Feature

## Gardens of the Queen (Jardines de la Reina)

Lying just 50 miles offshore from the south side of Cuba's main island lies a magnificent national park—the Jardines de la Reina, or Gardens of the Queen. Named by Christopher Columbus for the Queen of Spain, this reef and marine wilderness is protected with park status by the Cuban government.

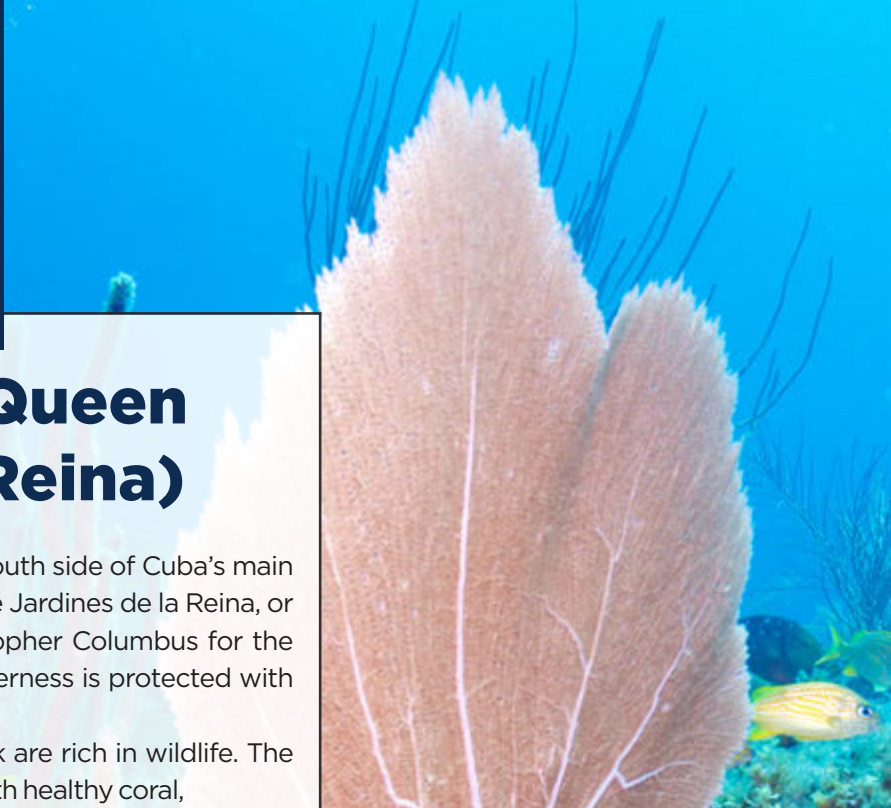
Today the unspoiled waters of the park are rich in wildlife. The reefs and mangrove islands are teeming with healthy coral, sea turtles, spiny lobsters, stingrays, sharks, snappers, groupers, and lionfish to name a few. The abundant marine life makes the Gardens of the Queen a highly desirable location for divers, marine biologists, and tourists.

Many reefs in the world today are threatened. One of the major threats is coral bleaching. Healthy coral and microscopic algae depend on each other to survive. The algae live in the corals' tissues and are their main food source. If water temperatures or pollution increase, algae leave the coral. Then coral turns white and is more vulnerable to disease. Causes of bleaching include a rise in ocean temperature, chemical runoff and pollution, too much sunlight, and exposure to the air during extreme low tides.

The reefs of the Gardens of the Queen have been protected from many of these threats. There is less chemical use by farmers in Cuba, so runoff from farms into storm water does not have as much pollution when it reaches the sea. There has also been less tourism and boat traffic overall in the protected area of the Gardens.

One of the concerns about having more American tourists visit Cuba is the effect of increased tourism on the Gardens of the Queen. Currently there are rules in effect to limit the number of visitors and divers to the region. However, demand for tourism may cause some people to work to change the rules. Research money from various international organizations has helped Cubans study their beautiful reef and appreciate the need to protect it.

How could the Cuban government balance the desire of the tourism industry to market the Gardens of the Queen against the need to protect this unique ecosystem?



## Section 2

# A Brief History of Cuba



### As you read, look for

- ▶ the role of African slaves in the colony of Cuba;
- ▶ how Cuba gained independence from Spain;
- ▶ Fidel Castro's role in the history of Cuba;
- ▶ changes in the relationship between Cuba and the United States;
- ▶ terms: **Spanish-American War, embargo, Cuban Missile Crisis.**



## Colonial Times and Independence

Cuba's islands were among those explored by Christopher Columbus in 1492. At the time, there were a number of indigenous people living there. In 1511, Spanish settlers and African slaves made the first European settlement. Experimentation led the colonists to grow both sugarcane and tobacco for profit. These crops could be sold to markets elsewhere in the world. However, the large farms on which they grew encouraged the use of African slaves as laborers. It is believed that over a half-million people were brought from Africa as slaves to work in Cuba in the 19th century before slavery was abolished in 1886.

**Middle:** A 1639 view of Havana harbor in watercolor. **Above:** A statue on the beach at Guardalavaca honors Christopher Columbus. He visited Cuba on three of his four voyages to the New World.

The Ten Years' War (1868-1878) was a bloody time in which Cubans fought for independence from Spain. Hundreds of thousands of Cubans died in the struggle. A result was that Spain sent more troops to the country to maintain control. The USS *Maine*, an American ship, was blown up in Havana harbor in 1898. This event helped push the United States into a war with Spain known as the **Spanish-American War**. After the brief conflict, Spain lost control of Cuba. It became an independent country with the aid of the United States in 1902.

## The Cuban Revolution

For the first half of the twentieth century, Cuba had political problems. Leaders came to power and then were thrown out by others. At the same time, American businesses were trading with Cuba. American companies

owned a large amount of land in the country. Most of Cuba's sugarcane crop was sold to the United States, the country's largest trading partner. In 1952, former president Fulgencio Batista made himself dictator. That meant he ruled without any controls on his power, and he became the sole decision maker for the business of the country. Many people in Cuba were unhappy with his rule. There was much poverty. Education and health care were not good for most Cubans.

In 1959, a change in leadership took place. Fidel Castro led a group of rebels against Batista. Because Batista was so unpopular, many Cubans followed Castro. At the time, Castro sought help from the United States. He promised that, if the United States helped him defeat the Batista regime, he would begin the process of making Cuba a democratic country. However, Castro and his followers defeated the Batista government, and he made himself dictator in 1959. He created the only communist country in the western hemisphere.

He declared that all the property belonging to Americans now belonged to the government of Cuba. All farms, factories, and businesses owned by Cubans also became government property. Castro's power was such that he ruled for nearly fifty years.



**Above:** Colonel (later US President) Theodore Roosevelt and his Rough Riders posed at the top of the hill they captured in Cuba during the Spanish-American War. **Right:** A mural on a school wall in Trinidad honors Che Guevara, revolutionary leader in Cuba during the 1950s.



Many changes occurred in the life of Cubans as a result of Castro's rule. Castro had Batista's supporters arrested. Most were executed by firing squad. Some spent decades in prison. Cubans no longer had the right to protest against the government. Cuban newspapers, radio, and television were shut down. The government became the only source for news, therefore controlling all the information the Cuban people knew about the rest of the world. The people were not allowed to practice their religion. Churches were closed, and all church property was taken by the government. People resorted to secretly having church services in their homes, living in fear of what would happen if the government found out.

Because of these harsh events, the United States placed an **embargo** on Cuban goods. That meant Cuba's sugarcane crop could not be sold to the United States. The Soviet Union became friends with Cuba. They bought the country's sugarcane each year. They also supplied weapons and other goods to the Cubans. The Soviets helped educate young Cubans and trained their military as part of the Cold War rivalry against the United States.

Under Castro's rule, the Cuban people had some benefits. Hospitals and schools were improved. Women and blacks became better educated and had better jobs. However, most parts of people's lives were controlled by the government. Although everyone was guaranteed a wage, the income of most Cubans was extremely low. This made the country one of the poorest in the region. Communist rule also made its people among the least free in the world.

### Strained Relations with the United States

Castro's government and the US government did not get along well during the remainder of the 20th century. The United States was fearful of having a communist country so close to Florida. Americans who owned land and businesses in Cuba did not like the loss of their property. The United States decided to keep the pressure on Cuba. It did not allow travel by Americans to or from Cuba. It also tried to keep other countries from trading with the Cubans.



**Top:** Fidel Castro, shown in 1989, controlled Cuba's government for nearly 50 years. **Above:** The Museum of the Revolution in Havana honors Fidel Castro and other revolutionaries. **Left:** The US Embassy building in Cuba was abandoned on orders of President Eisenhower in 1961. The embassy reopened in 2015 when US-Cuba diplomatic relations were restored.



**Top:** This boat with Cuban refugees was one of many that arrived in the United States in 1980. **Middle:** President John F. Kennedy met with pilots who found the missile sites during the Cuban Missile Crisis of 1962. **Above:** A “Welcome to Cuba” poster on the streets of Havana is a sign of improved relations between Cuba and the United States.

In the meantime, Cuba tried to spread communism into Latin America. It supported revolutionary ideas in many countries by providing military training, money, and weapons. One event, the **Cuban Missile Crisis**, almost started a nuclear war. In 1962, Cuba gave the Soviet Union permission to build a missile-launching complex. Missiles launched from the site could reach cities in the United States. US President John F. Kennedy demanded the missiles be removed. A tense time followed. Finally, the Soviets agreed to remove the missiles, and the United States said it would not invade Cuba.

Relations between the United States and Cuba did not improve much over the next fifty years. There was still an embargo on goods from Cuba. Americans, however, were allowed to send money to their families in Cuba. In the early 1980s and again in the 1990s, there were periods in which large numbers of Cubans escaped their island for America. The United States had been accepting Cubans who escaped. However, thousands were being “allowed” to escape. This caused a strain on relations between the two countries. In 1994, the United States agreed to allow 20,000 Cubans a year to enter the United States. The Cubans agreed to stop allowing so many Cubans to “escape.”

In 2008, Fidel Castro turned over power to his brother, Raúl Castro. By 2014, Raúl Castro and US President Barack Obama announced the restoration of diplomatic relations between the two countries. Establishing diplomatic relations with Cuba now allows Americans greater travel opportunities, more people-to-people contacts, and closer business ties. In 2016, Fidel Castro died at the age of 90.

## Reviewing the Section

1. What stopped the United States from being Cuba’s largest trading partner?
2. How had Cuba changed under Batista’s time as leader?
3. What did Fidel Castro say he would change if the United States helped him defeat Batista?
4. Once Castro was in power, what changes did he make? How did the United States react?
5. Copy the following chart. Explain how each US president has affected relations with Cuba.

PRESIDENT	EISENHOWER	KENNEDY	OBAMA
Issue	End of US/ Cuba Relations	Cuban Missile Crisis	Reopening of US/ Cuba Relations
US Reaction			
Cuba Reaction			

6. **Deeper Thinking:** Why do you think so many Cubans tried to escape to the United States? Why did the Cuban government allow this to happen? How did the countries work together on this issue?

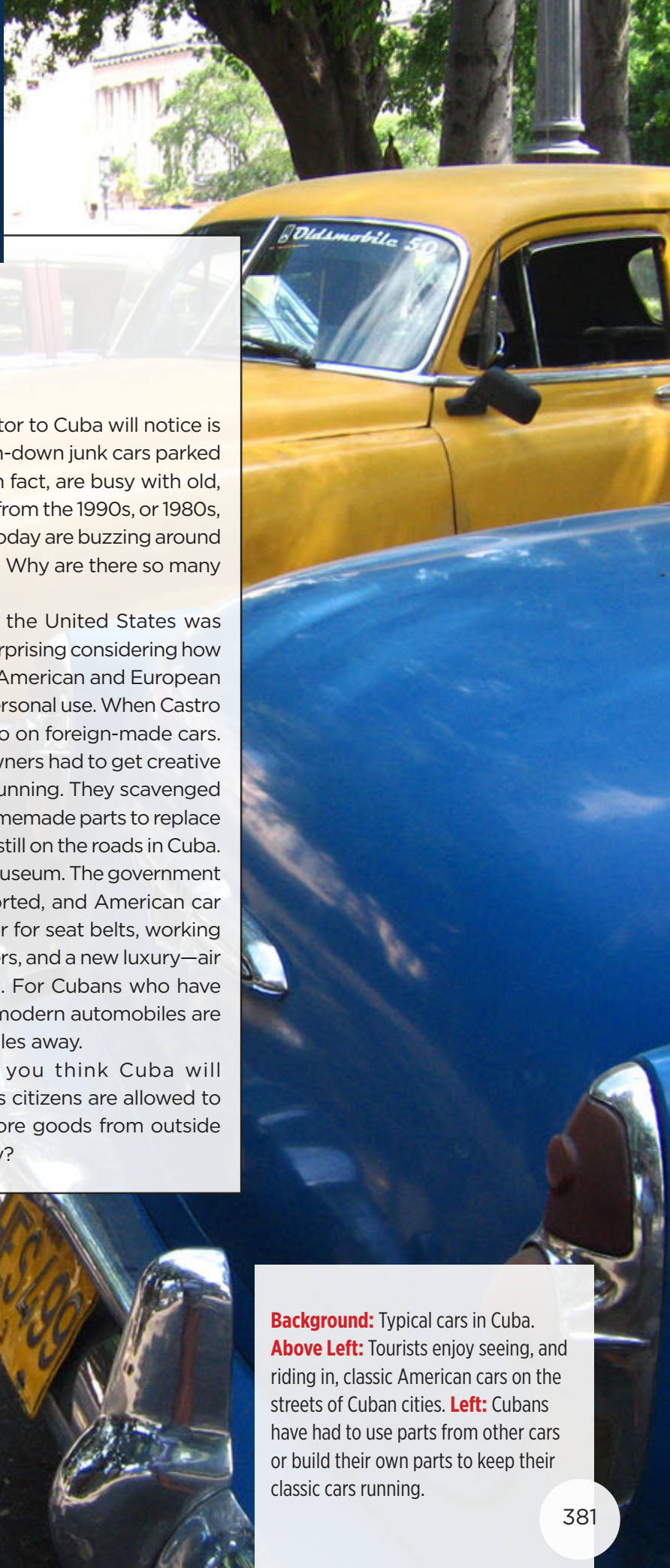
# special Feature

## Cuba: A Rolling Car Museum?

One of the first things an American visitor to Cuba will notice is the abundance of old cars—but not broken-down junk cars parked in people's yards. The streets of Havana, in fact, are busy with old, operating automobiles. These are not cars from the 1990s, or 1980s, or even the 1960s. The automobiles in use today are buzzing around Havana as they have been since the 1950s. Why are there so many old cars, and how are they kept running?

At the time of the Cuban Revolution, the United States was Cuba's largest trading partner. This is not surprising considering how close the two countries are to each other. American and European cars were purchased by Cubans for their personal use. When Castro came to power in 1959, he put an embargo on foreign-made cars. With no new supply of automobiles, car owners had to get creative with keeping their pre-1959 automobiles running. They scavenged parts from other cars or learned to build homemade parts to replace broken ones. Thousands of classic cars are still on the roads in Cuba. In fact, some refer to Cuba as a rolling car museum. The government has begun to allow more cars to be imported, and American car companies are anticipating a market eager for seat belts, working speedometers, and a new luxury—air conditioning. For Cubans who have the money, modern automobiles are just a few miles away.

How do you think Cuba will change as its citizens are allowed to purchase more goods from outside their country?



**Background:** Typical cars in Cuba.  
**Above Left:** Tourists enjoy seeing, and riding in, classic American cars on the streets of Cuban cities. **Left:** Cubans have had to use parts from other cars or build their own parts to keep their classic cars running.



## Section 3

# The Government of Cuba



## As you read, look for

- ▶ the type of government found in Cuba;
- ▶ the role of the Communist Party in elections;
- ▶ the role of citizens in choosing the leaders of Cuba;
- ▶ terms: **unitary government**, **National Assembly of People's Power**.

## Structure of Government

The government of Cuba is a **unitary government**. This means power is organized from a strong central government that controls each of the smaller units in the country. The country is a communist dictatorship. The president is appointed by the National Assembly of People's Power. Citizens may vote for members of the **National Assembly of People's Power**, but only for candidates approved by the Communist Party of Cuba. The Communist Party controls the central government and all aspects of smaller units of government. Citizens may carry out their right to vote, but only for the preapproved candidates chosen by the Cuban government.

The leader of Cuba carries the title of president of the Council of State. In 2018, Miguel Díaz-Canel succeeded the retiring Raúl Castro as president. Raúl Castro, the younger brother of revolutionary leader Fidel Castro, retained his position as head of the Communist Party in Cuba. Díaz-Canel and the Council of Ministers that form his cabinet take care of the day-to-day running of the government. The president and vice president are elected every five years for a new term, and there is no limit to the number of terms they can serve. They are indirectly elected. This means that the citizens do not vote directly for the offices of president and vice president, but for the representatives who do elect them.

**Top:** The logo for the Communist Party of Cuba (Partido Comunista de Cuba). The first secretary of the party is also the country's president and prime minister. **Middle:** Che Guevara's image is displayed on the Ministry of the Interior building in Revolution Square, Havana. **Above:** The National Assembly of People's Power meets in the Capitol building in Havana. **Right:** Russian leader Vladimir Putin and Fidel Castro maintained close ties between their countries.



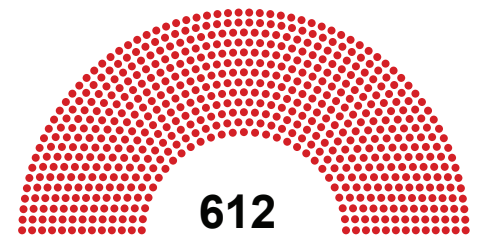


The legislative body, the National Assembly of People's Power, has 612 representatives. Members serve five-year terms. In order to run for a seat in the Assembly, one must be an approved candidate. The Communist Party is the only legal party, and it approves all candidates.

Based on a Soviet Union-style constitution, the Cuban constitution gives all the decision-making power to the Council of State when the elected representatives of the Assembly are not in session. Because the National Assembly only meets on two scheduled occasions per year, the Council of State is left to make most of the decisions for the country.

### Citizen Participation

Cuba calls itself a democracy because its people vote in elections. However, it is not possible for a person to be elected to office without the approval of the Communist Party of Cuba. Even though they can vote, the citizens of Cuba have little power, because there is often only a single, preselected candidate running for a position. Men and women who are citizens age 16 years or over may choose to vote.



## Reviewing the Section

1. What does a unitary government mean? Who is in control of the Cuban government?
2. How often are the president and vice president elected? Do they have term limits?
3. Do the citizens of Cuba have any power in elections? Explain your answer.
4. Deeper Thinking: Why do you think the Cuban government allows citizens to vote if they cannot freely choose who they want to lead? What role do you think the National Assembly of People's Power has in the government? If the citizens do not agree with the decisions being made, what options do they have?

**Top:** Headquarters for the Communist Party of Cuba in Havana. **Above:** All members of the National Assembly of People's Power in Cuba are from the same party—the Communist Party of Cuba.

## Section 4

# The Economy of Cuba

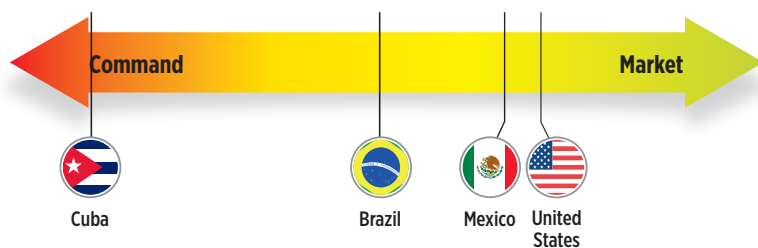

 Setting a Purpose

## As you read, look for

- ▶ the economic system in Cuba;
- ▶ currency used in Cuba;
- ▶ how Cuba trades with other countries;
- ▶ the standard of living of Cuba's people;
- ▶ terms: **Cuban convertible peso (CUC)**, **Cuban peso (CUP)**, **mestizo**, **emigration**.

**Figure 14.2**

### Economic Systems in Latin America



## Economic System Today

Cuba has a command economy in which government planning groups make the basic economic decisions. They determine such things as which goods and services to produce, the prices of goods, and the wages of workers. Individuals and corporations generally do not own businesses or farms. These are owned by the government. Workers at a business are told what to produce and how much to produce in a given time, or they are given a quota. The government's goal is to assign quotas to all workers. The expectation is that when all workers meet all quotas, everyone in the country will have the goods and services they need when they need them.

There are benefits and problems in this type of economy. Some benefits of a command economy include wage and price control. The government sets all the wages for workers. People know how much money they will be paid for their jobs. The people also know exactly how much items will cost. Prices for food and other basic needs are kept low so everyone can afford them. Education and health care are provided to the citizens of Cuba at no cost. All basic needs of the people are provided at free or affordable prices. Luxury items are entirely different. Computers, cell phones, gaming devices, and televisions are priced very high because they are not considered a basic need.



**Right:** The Cuban government has relaxed rules a bit to allow small entrepreneurs to sell goods on their own.

About 90 percent of the Cuban people work for the government. As the Cuban government has cut jobs as part of the reform process, it has opened up some retail services to “self-employment,” leading to the rise of so-called *cuentalpropistas* or entrepreneurs. Approximately 476,000 Cuban workers are currently registered as self-employed. Recent reforms include permitting the private ownership and sale of real estate and new vehicles and allowing private farmers to sell goods directly to hotels.



## Trade

Cuba trades goods to other countries for the goods it cannot provide on its own. For instance, sugarcane is grown in large quantities. The sugar produced is sold to other countries in order to purchase oil and natural gas. Unfortunately, Cuba cannot sell enough sugar to pay for all the oil and natural gas it needs. This shortfall leads to the factory closings and power blackouts that are necessary to save energy.

Today, the Cuban government is attempting to balance the need for loosening its command economic system against a desire for firm political control of the people. In April 2011, the government held the first Cuban Communist Party Congress in almost 13 years. At this Congress, political leaders approved a plan for economic changes. Since then, the Cuban government has slowly implemented economic reforms, including allowing Cubans to buy electronic appliances and cell phones, stay in hotels, and buy and sell used cars.

Even though they are only about 90 miles away from each other, the United States and Cuba have done little trade in the past fifty years. In the 1960s the United States placed an embargo on Cuba in hopes that it would pressure the small country into changing from a communist country to a democratic one. The embargo remained in place until 2015 when both countries met to ease some of the embargo restrictions.

Cuba does have trade relations with Canada, Venezuela, and China. Canada imports nickel from Cuba to use in the manufacturing process. Venezuela and China both import and export items from Cuba. Cuba's exports per year add about \$4 million to the economy, but Cuba imports about \$13 million per year. The dramatic difference between exports and imports contributes to the Cuban national debt.



**Above Left:** Factories in Cuba are state owned. Salaries for workers are set by the government. **Above Right:** Cuban cigars are among the country's most prized exports.

## Currency



Cuba has two currencies: the **Cuban convertible peso (CUC)** and the **Cuban peso (CUP)**. Americans must trade their US dollars for CUCs at a 1:1 rate, that is, one US dollar buys one CUC. The government charges a penalty for using US dollars plus a fee for the exchange, so \$100 exchanged gets only 87 CUCs. To make things more complicated, one CUC exchanges for about 25 Cuban pesos.

## Standard of Living

Just over 11 million people live in Cuba. That is only 1 million more than the 10 million people who live in Georgia. The current population is about 64 percent of European descent. Another 27 percent are **mestizo**, or of mixed European and indigenous heritage. Those with African heritage make up 9 percent of the population of Cuba.

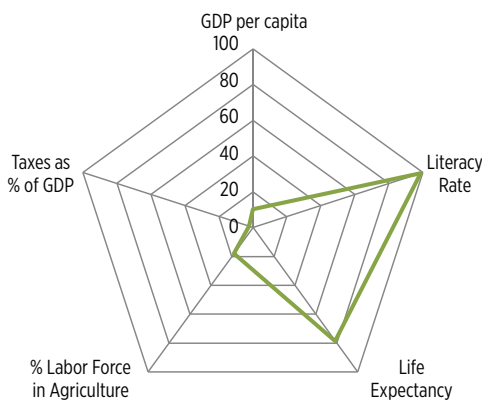
The population mainly lives in large cities and towns around the island with a heavy population around the capital city of Havana. The urban population of Cuba is around 77 percent, with the remaining 23 percent living in rural areas. In 1960, near the time Castro took power, the country was only 58 percent urban. The trend now is for more people to live in urban areas than rural ones.

Two of the main concerns that Fidel Castro had during the revolution were health care and education. As a result of the 1976 Cuban Constitution, all citizens have the right to free health care and health protection. The government is solely in charge of the free hospital system and of the free medical and dental care. Regular checkups and preventative visits are highly encouraged as are vaccinations to prevent outbreaks of disease.

Like health care, education is also run by the government in Cuba. Students attend primary, or elementary, schools, then move on to secondary schools. After that, students choose to attend either universities or trade schools to further their education depending on their future career goals. Cuba has a high literacy rate. Over 99 percent of the population can read and write. This ranks very high as compared to the other countries of the Caribbean.

**Figure 14.3**

**Cuba Spider Graph**



**Top:** Cuban pesos, like this 3 peso banknote, cannot be exchanged for US dollars. Only Cuban convertible pesos can be exchanged. **Right:** Cuban students, like these in Santiago de Cuba, are required to wear uniforms to school. Cuba has a high literacy rate compared to other Caribbean countries.





Even with the government providing health care and education for its people, many Cubans still desire to leave the communist-controlled country. Illegal **emigration** (leaving one country to live in another) is a continuous problem. Cubans have attempted to leave the island and enter the United States by various strategies: using homemade rafts, relying on others to smuggle them into the country, or taking direct flights to Miami using false paperwork. They are also traveling to Mexico and entering the United States from the southern border. The number of Cubans migrating to the United States has surged since the beginning of improved US-Cuban relations in 2014.

Despite reforms, the average Cuban's standard of living remains at a lower level than before the collapse of the Soviet Union and the economic downturn of the 1990s. Since late 2000, Venezuela has been supplying about 160,000 barrels of petroleum products per day at a reduced cost. Cuba has been paying for the oil, in part, with the services of Cubans sent to work in Venezuela, including some 30,000 medical professionals. However, in 2013, Venezuela's own economic problems forced a large reduction in oil exports to Cuba.

## Reviewing the Section

1. What type of economic system does Cuba have? How does its type of government affect its economy?
2. How does the type of economy affect the people and their needs? How does it affect the wages they earn? How does it affect the basic items they need to survive?
3. Who are Cuba's largest trading partners? What does Cuba export? Why is Cuba in so much debt?
4. The US dollar is not used as currency in Cuba. If you were traveling to Cuba, what would you do in order to have spending money while you were there?
5. Deeper Thinking: How does the government and economy of Cuba affect the daily lives of its people? What services are provided by the government?

## In Other Words

The words *migrate*, *emigrate*, and *immigrate* all refer to being on the move. *Migrate* just means to move. *Emigrate* stresses leaving the original place, while *immigrate* focuses on entering the new place.



**Top:** Cubans' lives are strictly controlled by the government. Fe del Valle Park in Havana has one of the country's few Wi-Fi access points.

**Above:** Cubans gather every Sunday at the Santa Clara market to chase deals as private sellers lower their prices due to competition.

## Section 5

## US-Cuba Relations



## As you read, look for

- ▶ the causes and effects of the US embargo on Cuba;
- ▶ the current relationship between the United States and Cuba;
- ▶ terms: **normalization**, **embassy**.

## Improving Diplomatic Relations

During the Cold War, the United States imposed an embargo on Cuba in 1960 and then broke diplomatic relations in 1961. On December 17, 2014, President Obama announced the beginning of a **normalization** process between the United States and Cuba, starting a new chapter in US-Cuba relations. However, the US Congress must pass laws to lift the embargo and change the rules for travel to Cuba for US citizens. American businesses were fined more than \$5 million in 2015 for illegally trading with Cuba; however, there was \$4.3 billion in legal trade.

US policy toward Cuba is focused on supporting US values such as freedom of speech and assembly and the ability to access information. The US government is reaching out to the Cuban people by arranging people-to-people exchanges, encouraging the development of telecommunications and the Internet, and creating opportunities for US businesses to support the growth of Cuba's private sector. There are still problems to be solved, however. Cubans do not have the same freedoms as Americans. For instance, more than 16,000 Cubans have been arrested and detained in 2014-2015 on charges related to speaking against the Cuban government. Through the opening of **embassies** (official residences and offices of ambassadors), the United States is now able to become more active in Cuban society.

**Below:** Relations between the United States and Cuban governments have improved in the 21st century. **Bottom:** Atlanta-based Delta Air Lines began flying Airbus A319s from Atlanta to Havana in December 2016.



## Bilateral Economic Relations

New rules put into place in 2015 allow more economic activity between Cuba and the United States. Travel rules have eased, allowing more Americans to visit Cuba for educational purposes. Cruise lines have begun routes to the island's ports. Family members in the United States are now allowed to send more cash to relatives in Cuba. Limits were raised from \$2,000 per year to \$8,000. This resulted in a doubling of cash flowing to Cuba from the United States to \$1.4 billion in 2015. New rules allow American businesses to export communications goods and services to Cuba, and Americans can personally import \$400 in goods. US credit and debit cards can now be used in Cuba as well.

Although economic sanctions remain in place, the United States has been Cuba's primary supplier of food, agricultural products, and humanitarian goods. It has also been a significant supplier of medicines and medical products. In 2014, about 5 percent of Cuba's imports came from the United States. That number is expected to rise as trade rules are changed.

Cuba has an active foreign policy and is looking for new sources of trade, aid, foreign investment, and political support. Cuba and the United States belong to many of the same international organizations, including the United Nations and the World Trade Organization. Cuba was excluded from participation in the Organization of American States in 1962. That decision was lifted in 2009, and Cuba is in discussions to be admitted. In April 2015, Cuba attended the Summit of the Americas for the first time. It was there that Cuban President Raúl Castro met with US President Barack Obama in the first face-to-face meeting between leaders of the two countries in more than 50 years.



## Reviewing the Section

1. When were diplomatic relations restarted between Cuba and the United States?
2. What are some ways the United States is reaching out to the Cuban people?
3. How might the new trading rules help Cuba's economy?
4. Deeper Thinking: Why do you think the United States provided Cuba with food, humanitarian goods, and medical supplies when there was an embargo in place? Why could Cuba not provide those items for its citizens?

**Top:** US President Barack Obama and Cuban President Raúl Castro met at the Summit of the Americas in Panama in 2015. **Above:** The Cuban Embassy in Washington, DC, was reopened in 2015.



# Chapter Review

## Chapter Summary

### Section 1: The Geography of Cuba

- Cuba is a tropical island about the size of Tennessee.
- The island has rolling plains and arable land that has allowed Cuba to grow and export many agricultural products.
- Cuba also has many mineral resources and a beautiful landscape that attracts tourists.

### Section 2: A Brief History of Cuba

- Cuba was one of the first places in the New World explored and colonized by the Spanish.
- Spanish colonists and enslaved Africans grew tobacco and sugarcane for profit.
- Cuba became an independent country in 1902 after the United States intervened in the Spanish-American War.
- In 1959, dictator Fidel Castro came to power, made Cuba a communist country, and took back Cuban land owned by American companies.
- The strained US-Cuba relationship reached its peak during the Cuban Missile Crisis. Since then, tensions have declined as the countries have restored diplomatic relations.

### Section 3: The Government of Cuba

- Cuba's unitary government is currently run by the communist dictator Raúl Castro.
- The Council of State makes almost all decisions for the country.
- Cuban citizens can vote, but their choices are limited to candidates approved by the Communist Party.

### Section 4: The Economy of Cuba

- Cuba has a command economy where the government owns all businesses and decides what and how much should be produced.
- About 90 percent of Cubans work for the government, but there are opportunities to be an entrepreneur.
- The United States placed an embargo on Cuba from the 1960s until 2015.
- Cuba has two currencies: the Cuban convertible peso (CUC), which is given to Americans when they exchange their dollars, and the Cuban peso (CUP).
- The communist revolution instituted free health care and education, which improved Cubans' standard of living, but the economic downturn after the fall of the Soviet Union has hurt Cubans.

### Section 5: US-Cuba Relations

- The United States encourages the Cuban government to adopt American values and give the people more freedoms.
- Although the United States still imposes sanctions on Cuba, there is now more travel and trade in Cuba by Americans.

## Activities for Learning

### Reviewing People, Places, and Things



Create a crossword puzzle with the following words. Create clues for each of the words.

Havana  
 blackouts  
 dictator  
 normalization  
 embargo  
 Council of State  
 mestizo

### Understanding the Facts



1. Why does Cuba plan blackouts?
2. Name three of Cuba's agricultural exports.
3. What dictator did Fidel Castro overthrow?
4. With what country did communist Cuba have close links until the 1990s?
5. Who currently rules Cuba?
6. Can Cuban citizens vote?
7. What is one benefit of a command economy?
8. How did President Obama improve relations with Cuba?

### Developing Critical Thinking



1. Cuba will plan blackouts because they cannot afford enough oil to meet all their energy needs. Do you think this is a good idea? In what other ways could they meet their energy needs?
2. In this chapter, it is implied that Cuba allowed its citizens to flee to the United States although they pretended not to. The United States was unhappy with the number of Cubans arriving and made an agreement with Cuba to only allow a certain number of people. How does this situation make the United States seem insincere in its desire to spread freedom to Cuban people? How could this insincerity affect the United States' reputation around the world?

## Writing across the Curriculum



Write a short report on President Obama's plan to normalize relations between Cuba and the United States. Include information on the state of relations after President Obama left office.



### Applying Your Skills

Draw a map of Cuba that shows at least one city and the physical geography of the island. Label the bodies of water around the island. Be sure to create a key.



### Exploring Technology

Since Americans began visiting Cuba again, many people share stories of the interesting and beautiful sights there. Look at recent photos of Cuba here: [www.cbsnews.com/pictures/cuba-today/](http://www.cbsnews.com/pictures/cuba-today/). Based on your knowledge of Cuba, what were you not surprised to see? What were you surprised to see? Give specific examples and note any photos that stood out to you.