

The SAGE Encyclopedia of World Poverty

Cuba

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Book Title: The SAGE Encyclopedia of World Poverty
Chapter Title: "Cuba"
Pub. Date: 2015
Access Date: December 08, 2015
Publishing Company: SAGE Publications, Inc
City: Thousand Oaks
Print ISBN: 9781483345703
Online ISBN: 9781483345727
DOI: <http://dx.doi.org/10.4135/9781483345727.n169>
Print pages: 318-320

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<http://dx.doi.org/10.4135/9781483345727.n169>

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With the triumph of the Cuban Revolution in 1959, the eradication of poverty became a central goal of the new government. This commitment was reinforced by the adoption in 1961 of the goal of building socialism, and the political-economic-social transformations implied by this decision. From the beginning, Cuba conducted its campaign to eliminate poverty along the lines of the broad social approach that was later extensively discussed by the United Nations at its World Summit for Social Development in Copenhagen in 1995. Instead of simply focusing on raising the income of those in poverty to a certain level, Cuba committed itself to assuring that its poorest citizens could access the many things necessary for a dignified life and to develop the individual potential that poverty prevents.

According to the United Nations, “These efforts should include the elimination of hunger [p. 318 ↓] and malnutrition; the provision of food security, education, employment and livelihood, primary health-care services including reproductive health care, safe drinking water and sanitation, and adequate shelter; and participation in social and cultural life... ensure that all people have adequate economic and social protection during unemployment, ill health, maternity, child-rearing, widowhood, disability and old age... ensure that national budgets and policies are oriented, as necessary, to meeting basic needs, reducing inequalities and targeting poverty....”

With the exception of housing, in which Cuba made impressive gains among its poorest-of-the-poor in the countryside, but overall had a mediocre performance typical for Latin America at that time, these manifestations of poverty that the report calls its “root causes” are the areas of greatest success for the Cuban Revolution. The first book in Cuba on poverty after the triumph of the revolution came out in 1983, *Erradicación de la Pobreza en Cuba*. This careful study of the issue came to the conclusion that by 1983, Cuba had eliminated poverty. The two key factors that made this result possible were Cuba’s healthy rate of economic growth and its exceptionally egalitarian distribution. The best estimate of the average annual real rate of growth of Cuba’s national income from 1960 to 1985 is 3.1 percent, not far behind the 3.5 percent of the Latin American leader of that period, Brazil, and well above the Latin American average

of 1.8 percent. Its income Gini coefficient in 1986 was an exceptional 0.22, down from 0.35 in 1962 because of Cuba's distributional policies, one of the most egalitarian distributions of income at the time. Until recently, Cuban academic work accepted that prior to 1990, Cuba had eliminated poverty, though some recent work on the post-1990 "special period" suggests that there might well have been low levels of poverty before that.

There is not a well-respected academic in Cuba who would argue that Cuba is free, or even almost free, from poverty today. The cataclysmic fall in gross domestic product (GDP) following the abrupt reduction or termination of Cuba's trade with 85 percent of countries is widely known. From 1989 to 1993, the economy fell by slightly over 35 percent. Its recovery required a thorough restructuring of its foreign trade (essential for Cuban production because it is a small open economy), replacing planned trade that rested on planned production with fundamentally different market trade with the capitalist world. Per capita GDP only returned to its 1989 level in 2005. Even more important to the reappearance of poverty (continuing after the GDP recovery), the introduction of market-like mechanisms, and even (capitalist) markets into various parts of the economy led to an increase in inequality, with the Gini coefficient rising to 0.38 by 1998. While this was still relatively low for Latin America at that time, it nevertheless represented a major redistribution of income away from Cuba's poorest citizens, which led to the reappearance of poverty.

While poverty exists in Cuba today, it is significantly different from poverty in the rest of the developing countries. Starting with the well-known issues of food, health care, and education, all Cubans still retain access to numerous basic goods and services that are generally unavailable to people in poverty. Ángela Ferriol, one of Cuba's top researchers on poverty in the 2000s, provides a much longer list. Cubans must nevertheless be considered poor, in that they have "insufficient income to purchase all the basic food and nonfood items that they need." To capture this special nature of Cuban poverty, a number of researchers use the term "population at risk" to refer to Cubans in this type of poverty. Hard data on the extent of poverty in Cuba today, particularly since the mid-2000s, are scarce to nonexistent. A study in 1996 found approximately 15 percent of the urban population at risk. A study in 2001 found urban poverty to be about 20 percent. A verbal presentation in 2002 indicated that the urban population at risk had increased from 6.3 percent in 1988 to about 20 percent in 2000.

Since then, the economy has continually improved, but the continued expansion of markets has worsened distribution. These two trends, with opposing effects on poverty, can be expected to offset each other, and Cuban poverty today is likely at 20 percent.

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See Also: Communism; Planning; Socialism.

Further Readings

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