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International tourism in Cuba: Can capitalism be used to save socialism?

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ABSTRACT

Following the fall of the Soviet Bloc in 1989, a somber Fidel Castro informed the Cuban people that their Revolution hovered on the brink of disaster. Faced with an unprecedented economic crisis and few options, the Cuban government, reluctantly returned to international tourism as the foundation for economic salvation. Since then international tourism has multiplied fifteen-fold. While reintroducing tourism may have saved Cuba from a political and economic catastrophe – foreign tourists, mostly from capitalist countries, have enabled Cuba and the Revolution to survive – this use of capitalism to save socialism has also produced formidable challenges. In particular, the emergence of a consumer culture and the subsequent "dollarization" of the economy, pose a grave threat to Cuban society as products are increasingly evaluated, purchased, and consumed on the basis of their symbolic content and meaning for social status. Nonetheless, it will be argued in this paper that since Cuban society remains anchored by highly functional, stable, well-organized neighborhoods and a flourishing, innovative informal economy, embedded values of cooperation may serve as a counteractive force to the rise of a culture of consumerism and materialism. Based on this premise, the paper concludes with an examination of three possible scenarios for the future of tourism in Cuba.

1. International tourism before the revolution

Prior to the revolution, the U.S. mafia controlled the international tourist industry in Cuba and anchored it in gambling, prostitution, and drugs along with the attractions of sun, sea and sand. Tourism was about pleasure and thousands of visitors from the United States and around the world came to Cuba in search of it. Between 1948 and 1957, tourist arrivals in Cuba grew by 94%. On the eve of the revolution, arrivals from the USA alone accounted for approximately 86% of the visitors to Cuba [1]. However, tourism and sugar painted Havana's social landscape in misery and pain. There were more than 5000 beggars walking the streets of the city in 1958, many of whom were homeless women with children. Crime was on the rise and so too was juvenile delinquency. Arthur Schlesinger, Jr. recalled a visit to Havana during the Batista epoch: "I was enchanted by Havana—and appalled by the way that lovely city was being debased into a great casino and brothel for American businessmen over for a big weekend from Miami. My fellow countrymen reeled through the streets, picking up 14-year-old Cuban girls and tossing coins to make men scramble in the gutter. One wondered how any Cuban—on the basis of this evidence—could regard the United States with anything but hatred [2]."

When the Cuban rebels (*rebeldes*) seized power in January of 1959, they intended to create a people-centered society based on justice and the socioeconomic principles of reciprocity and equitable wealth distribution [3]. The *rebeldes* sought to

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construct a "new" society that would be built, governed, and defended by a "new" people. These people would receive food, housing, health care, and education as basic human rights of citizenship and these rights would be ensured though the actions of a state that would operate in partnership with its people, the popular classes (*clases populares*). In this "new" society, moral rather than material imperatives would motivate citizens, who would then willingly subordinate their personal interests to the broader interests of the collective [4]. Between 1959 and 1989, because of favorable trade agreements with the Soviet Union, the *rebeldes* had the resources to develop their model of a people-centered society.

After 1959, international tourism all but disappeared from the island. The revolutionary government believed that tourism was largely associated with the capitalist evils of corruption, drugs, social inequality, and racism. They considered, nonetheless, leisure time to be a basic human right and made domestic tourism one of the cornerstones of social development. In November 1959, the government established the *Instituto Nacíonal de la Industria Turístic* (National Institute of the Tourism Industry—INTUR) to expand and develop domestic tourism in order to help *Cubanos* acquire knowledge of their country, provide them with opportunities to enjoy it, and to emphasize the revolutionary reality that Cuba belonged to them—the *clases populares* [5].

2. The re-emergence of international tourism

With the collapse of the Soviet Union and the Eastern European Communist Bloc in 1989, Cuba lost close to 75% of its international trade [6]. Living conditions were declining, and the phrase, "*vida no es fácil*" (life is not easy) was a common refrain. As Fidel Castro explained, "We have to develop tourism. It is an important source of foreign currency. We do not like tourism. It has become an economic necessity [7]." The goal was to secure hard currency and the resources needed to stabilize and maintain the existing social and political structure [8]. Reluctantly, Cuba adopted austerity policies and, based on the pre-1959 experience, reluctantly embraced international tourism, bringing thousands of visitors to the island at the very moment when *Cubanos* faced economic disaster [9].

The drama of this new direction is emphasized in Fig. 1. International tourist arrivals in Cuba fell from a peak of 272,000 in 1958 to less than 4000 annually from 1959 until 1973. By 1975, Cuba had begun to promote tourism reaching over 300,000 visitors annually by 1990. As the Special Period began, the industry exploded during the nineties and by 2000, the number of tourist arrivals to Cuba had doubled [10]. By 2004, the number of visitors to Cuba surpassed the two million mark for the first time. Concurrently, gross revenues from tourism increased from U.S. $1.1 billion in 1995 to U.S. $1.9 billion in 1999 to U.S. $2.25 billion in 2004 [11]. By 2003, revenues reached $2.1 billion, almost half of Cuba's total hard currency. During this period, tourism surpassed the sugar industry as the prime source of hard currency and became the engine driving the economy. *Cubanos* used to declare, *sin azucar, hay no país* (without sugar, there is no country). Now, they say, *sin turismo, hay no país* (without tourism, there is no country) [12].

Hotels and accommodations anchored the tourist infrastructure. Between 1990 and 2000, the number of hotel rooms in Cuba, in pace with arrivals, doubled from 18,565 to 37,178 [13]. In Havana alone, the total number of rooms increased from 4682 rooms in 1988 to 12,002 rooms in 2002 [14]. To make this expansion possible, Cuba engaged in joint ventures with foreign companies that possessed financial, technical, and marketing expertise [15]. The *rebeldes* understood sugar, tobacco, and manufacturing, but had little experience in the tourism, leisure and hospitality sector. By the late 1990s, 25 joint venture companies—including some giants in the international tourism industry—were providing Cuba with the money and expertise needed to grow the tourist industry [16]. These firms included Spanish, French, German and other European Union companies—Sol Melia, Accor, LTI, Mirama, Riu, SuperClubs, and Sandals [17]. By 2002, 110 U.S. companies, such as AT&T,

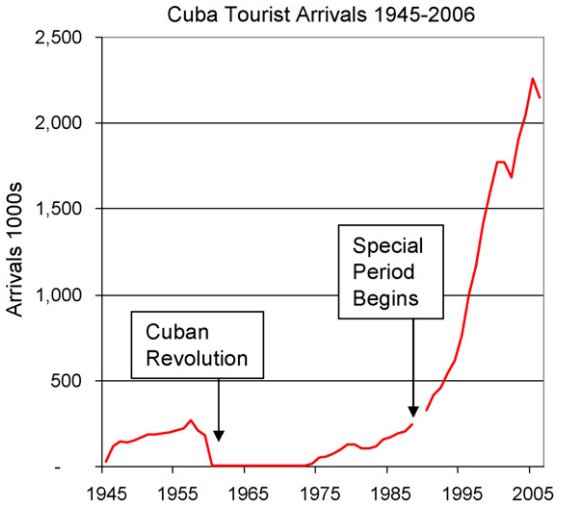

Fig. 1. International tourist arrivals to Cuba 1945–2006.

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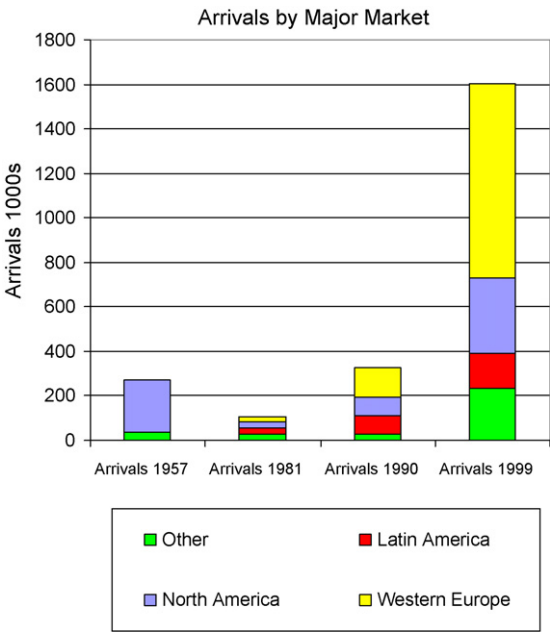

Fig. 2. Visitors to Cuba by major market area 1957–1999.

Exxon, and General Electric, had licenses to operate in Cuba [18]. The new tourists to Cuba came mostly from the capitalist countries of Canada, Spain, Italy, Germany, France, the U.K., and the Netherlands. Prior to the revolution, the majority of visitors came from North America (principally the U.S.). After 1975, the number of North Americans averaged about one quarter of all visitors. Many U.S. citizens also traveled to Cuba during this period—including Cuban-Americans and those traveling with and without permission from the U.S. government. During the 1980s the number of visitors was shared equally between North America, Western Europe, Eastern Europe, and Latin America (see Fig. 2). By the year 2000 approximately one half of all visitors came from Western Europe. After 2004, U.S. policy blocked universities' summer study abroad and cultural exchange programs [19]. Nonetheless it is suggested that as many as 200,000 U.S. citizens traveled to Cuba in 2007 [20].

3. Re-inventing Cuba: a new framework for socio-economic development

The *rebeldes* hoped to develop a wholesome brand of tourism and "encapsulate" it and the necessary foreign investment so that *turismo* would not undermine Cuban society. The goal was to separate the tourism, leisure, and hospitality industry from the daily lives of ordinary *Cubanos*, shielding them from tourism and the influx of foreign visitors. From 1992 to 1995, a package of reforms was introduced to accommodate this rapidly expanding sector of the economy. The key measures were to (1) open the economy to foreign capital by making mixed ownership possible, and (2) legalize the U.S. dollar, family remittances, and limited forms of self-employment [21]. These reforms opened a Pandora's Box, which sent socioeconomic ripples throughout Cuban society, with "racially differentiated effects [22]."

The legalization of the dollar alone meant that *Cubanos* could freely engage in transactions with U.S. currency. The legalization of the dollar encouraged family members abroad, especially in the United States, to send relatives money to help make ends meet [23]. With most of the Cuban diaspora consisting of white émigrés, it is the white families who generally received most of the dollars [24]. Thus, lifestyle differences resulting from the allowance of remittances furthered the racial divide that was growing during the Special Period.

The legalization of the U.S. dollar affected Cuban society by allowing for the growth of government retail stores expressly to "capture" dollars [25]. By expanding the scope of international tourism and providing a job market to support this industry, Cuba reluctantly fostered a dependence on the dollar and created a double economy where new social classes are being formed [26]. From the outset, the idea of isolating foreign investments and international tourism from the social fabric of Cuban society was naïve and unworkable [27]. The government could not introduce international tourism into the economy without simultaneously making a series of economic reforms to accommodate the industry. By reconstructing the policy framework to incorporate tourism, the socioeconomic development of Cuba was refocused in significant ways. Still, throughout the economic crisis, the Cuban government maintained its focus on the social function strategy of neighborhood development. They based this approach on the notion that neighborhoods were the building blocks of the city and that government should attack urban problems at the community level. Against this backdrop, during the eighties, Castro forged a series of initiatives to strengthen, stabilize and organize neighborhoods, such as the Family Doctor and Nurse Program and

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the Workshops for Integrated Neighborhood Transformation. Wrestling with hard times in communities based on cooperation and reciprocity spawned a way of life that offset the ideological onslaught caused by the rise of consumerism and materialism.

3.1. Tourism occupations and segmented employment

The emergence of the tourist industry combined with self-employment to produce new occupational groups—by 1997 approximately 130,000 Cubanos were employed directly and indirectly in this industry [28]. Jobs materialized in hotels, restaurants, museums, tourist shops, entertainment centers, nightclubs, travel agencies, and airports. Also, positions opened up in corporations organized to provide services to the tourism, leisure, and hospitality sector. Interaction with tourists and access to the dollar made work in the tourist industry extremely desirable [29]. By 2007, employment in *turismo* was estimated at 587,000 jobs, 11% of the total employment, or 1 in every 8.9 jobs [30]. Although typically paid in *pesos*, these workers nevertheless obtained dollars in tips or as ''gifts'' from the tourists [31]. Moreover, workers in the tourist industry, because of their interactions and friendships, were exposed to the experiences, culture, and the worldview of tourists. To stem the growing popularity of *turismo* jobs, in February 2005, the Ministry of Tourism established regulations that forbid Cubans from receiving tips, gifts, or accepting dinner invitations from foreigners [32]. However, it is doubtful that all tourist workers abided by these new regulations. Although strategically located in hotels, restaurants, and similar services during the eighties, Afro-Cubans did not become integrated into the international tourist industry during the Special Period. In a 1994 survey conducted in Havana and Santiago de Cuba, 40% of the respondents said that blacks did not have the same opportunities as whites in the tourist sector [33]. Thus, in reinvented Cuba, Afro-Cubans found themselves at the margins of *turismo* and access to the dollar, and they became over-represented in the informal sector of *turismo*.

Self-employment led to the development of micro-businesses, such as restaurants, automotive repair shops, beauty shops, taxi and bicitaxi driving, shoemaking, video producing, and the opening of *casas particulares*, the Cuban version of the U.S. bed and breakfast. By 1995, 138,000 Cuban workers were self-employed. The government had two interrelated reasons for fostering self-employment [34]. First, it represented yet another way to ''capture'' dollars coming into the country (by taxing self-employed workers) [35]. Second, self-employment enabled *Cubanos* to provide a range of services for residents, which the government could not afford to do. Tourism also stimulated the development of new economic activities within the informal economy, especially for unlicensed taxi drivers, informal tourist guides, and other ''street'' workers, who earned a living providing a range of services for tourists [36].

3.2. The dollar stores: segmented consumption

The influx of dollars into the economy, both from exile remittances and tourism, meant the government had to develop a mechanism to ''capture'' them. The purpose of legalizing the dollar was to generate the hard currency needed to pay for imports, subsidize social services, and to increase the supply of goods and services into the country. ''Direct spending generates additional indirect and induced spending, resulting in an increase in economic activity that is a multiple of the original amount [37].'' Cubans were anxious to spend the dollars they were receiving from abroad on products and services inside Cuba. If the government did not establish retail outlets where *Cubanos* could spend their money, these opportunities would be provided by the black market. Recognizing this, the government opened retail stores in every neighborhood throughout the country [38].

These retail outlets sold a variety of foodstuffs, alcohol, cigarettes, televisions, cameras, electronics, toys, jewelry and other imported items at high prices and these items were available only in the dollar stores. Concurrently, to shield *Cubanos* from inflation and high priced merchandise, the government maintained the *peso* stores. This led to a ''dual economy''—the *peso*-based state and the dollar-based private sectors—with very distinct pay scales and working conditions [25]. This established a de facto segmented commercial and labor market resulting in, regardless of government policy, people with access to dollars being able to participate in a lifestyle that was not available to those who did not. This unequal access to remittances and tourist dollars created conditions that weakened the carefully crafted egalitarian distribution of income. International tourism grew within the context of these domestic socioeconomic reforms.

4. Havana: remaking the socialist city

At the onset of the Special Period, Havana was designated a center of tourism because of its colonial heritage, extensive beaches and pre-existing tourist facilities. The city was also equipped with a good transport infrastructure that connected Havana with the country's major population centers and tourist areas. The city was an ideal entry point for receiving international tourists and then dispersing them across the island. Thus, throughout the 1990s, Havana experienced a rapid increase in tourist arrivals and subsequent revenues from the tourist sector. To accommodate these visitors and convert Havana into a desirable tourist city, the government built a multilayered infrastructure designed to meet the needs, desires, and expectations of the tourists. International tourism necessitates turning cities into ''sites of consumption'' in which the experiences of the city represent the commodity sold to the tourists [39]. The most important components of the tourist infrastructure were hotels and accommodations, historic sites, restaurants, entertainment venues, and retail outlets.

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4.1. Heritage and history

Remaking Havana into an international tourist city required significant investment in the development of historical sites. In Havana, the tourist industry revolves around the city's colonial heritage with its architecture being the centerpiece of the urban tourism strategy [40]. The focal point is the Old City (*Habana Vieja*), which contains a treasure trove of colonial architecture and fortifications. In 1982, UNESCO (United Nations Educational, Scientific and Cultural Organization) named the area a World Heritage Site [41]. Under the direction of the Historian of the City, the northern core of *Habana Vieja* was transformed into a dreamscape—an authentic, historical place restored so that it met the needs, wants, and expectations of tourists. Thus, historic buildings were turned into hotels, bars, restaurants, entertainment spots, museums, art galleries, shops and stores. The Historian of the City designed *Habana Vieja* as a "living community," where the homes and institutions of *habaneros* were intermingled with the tourist attractions. Nonetheless, in reality, the *turistas* came to dominate *Habana Viejo*'s tourist district, in part, because the government tried to restrict *Cubano* presence in the area [42].

4.2. Hotels and accommodations

To compete successfully, Cuba realized that it must not only provide *turistas* with unique experiences, but also with accommodations, eating and drinking places, cultural, recreational and entertainment venues, and a transportation system that are very appealing. During the nineties, the quality of hotels in Cuba was typically lower than that of competing Caribbean destinations [43]. In 1998, only 7.1% of the hotels in Cuba had a 5 star rating, 30% had 4 stars, and 66% were either 2 or 3 stars. Thus, with the expansion of tourism, Cuba came under constant pressure to increase the quality as well as the quantity of available rooms. By mid-2000, Cuban officials predict, about 64% of all their rooms will be in the 4 and 5 star category [44]. In contrast to affluent visitors, young travelers and those on a limited budget often prefer to stay in more modest places, located in parts of the city that bring them into contact with ordinary *Cubanos*. To fill this market niche, the *rebeldes* turned again to the self-employment sector. After 1993, the government allowed *Cubanos* to rent rooms in their homes to tourists. Between 1998 and 2002, the number of *casas particulares* increased from 1537 to 4980 across the island, while in Havana, they increased from 2284 to 2730 [44].

4.3. Restaurants and entertainment

The government developed numerous restaurants and entertainment venues for the enjoyment of tourists, which they embedded in exotic settings, filled with tropical amenities [45]. Virtually all of the bars and most restaurants offer live music. Tourists find full service restaurants everywhere proffering menus with appetizers, entrées, including seafood, lobster, and beef, along with salads, side dishes, desserts, and beverages, including beer, wine and rum. Many restaurants cater to both tourists and *habaneros*. In addition, many of the nightclubs, such as the *Casa de Musica*, are meeting places for both tourists and *habaneros*. Cubans visiting these clubs purchase tickets at reduced prices, although they must pay in either dollars or Cuban *convertibles*. In addition to these venues, the *rebeldes* established a variety of cultural venues that feature classical music, ballet, jazz, and Afro-Cuban dance [46].

5. Society in the balance

5.1. The failure of tourist apartheid

The *rebeldes* wanted to isolate the population from *turismo* for two interrelated reasons. First, they wanted to shield *Cubanos* from the harmful effects of tourism (prostitution and consumerism) [47]. Second, the government wanted to protect *turistas* from possible criminal activity. If the media projected Cuba as a dangerous place, many tourists would readily choose another destination. Thus, the government adopted a strategy, popularly called "tourist apartheid," as a way of immunizing Cuban society from the evils of international tourism, while simultaneously protecting *turistas* from crime [48]. The most conspicuous dimension of this policy was the harassment of Cubans, especially young black men, publicly seen with tourists: police would ask for identification and sometimes, even arrest them [49].

Overall, the government policy of isolating *Cubanos* from tourists failed. The distribution of tourist facilities throughout city meant that numerous opportunities existed for *habaneros* to encounter *turistas*. For example, some Cubans established *paladares*, which are small government-approved private eateries that Cubans operate from their homes. These places, along with taxies and bicitaxi drivers, bars and nightclubs, created more linkages between ordinary Cubans and tourists. Other connections between tourists and *Cubanos* occur via the informal economy: anecdotal evidence suggest that there are widespread activities in the black market ranging from buying cigars to transport services to eating at unlicensed *paladares* to staying in the homes of Cuban friends. One of the most important personal forms of contact occurs when tourists hire an informal tourist guide. These are usually young black men with an intimate knowledge of the city serving as translators and providing a variety of services [49]. The government is aware of these illegal activities, but often takes a lenient attitude toward them. There is the realization that many people are simply trying to make ends meet. Thus, as long as these activities stay below the threshold of social disruption, they adopt the rule, "it's not right, but its okay [49]." Thus, despite efforts to keep them separate, *Cubanos* and *turistas* find endless ways to meet and get to know one another.

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5.2. The transition to consumer culture

In the brief span of 10 years, tourism has placed an indelible imprint on life and culture in Havana. This was bound to happen. The location of the most important tourist attractions in *Habana Vieja*, *Centro Habana*, and *Vedado* necessitated embedding a significant portion of the tourist infrastructure in densely populated communities where Afro-Cubans, mulattos, and whites lived in racially mixed neighborhoods [50]. The integration of tourist sites and facilities within residential communities created the conditions which made it possible for international tourism to influence everyday life and culture by imbuing it with consumerism and material-based notions of the "good life"—the equating of personal happiness to the purchase of goods and services and using material possessions to shape and reinforce identity and define social status [51]. Through tourism, Cubans are beginning to share a ubiquitous phenomenon of the contemporary world, whereby products serve as symbols, and are evaluated, purchased, and consumed based on their symbolic content and perceived social meaning [52]. Thus, for example, people want to buy Nikes, or some other recognizable brand, not just any pair of sneakers. Moreover, they are not just buying the commodity, but also they are purchasing the lifestyle and experience being advertised [53]. The point is this: in a consumer-based society, consumption becomes a means of self-realization and identification because consumers no longer merely use products; they also devour the image and symbolic meaning of those products [54]. The creation of a tourist infrastructure, combined with the influx of tourists, constituted a frontal assault on Cuban culture. The *rebeldes* recognized the dangers emanating from the tourist industry and hoped their continued emphasis on revolutionary ideals would protect society from the "tourist virus [55]."

Despite intentions to the contrary, the *turista* became the new elite in Cuban society. The symbolism associated with international tourism made its way into everyday life and culture by transforming the lifestyle of tourists, and the facilities developed for them, into icons that symbolized and reinforced consumerism and a materialist view of the good life. The dollarization of the economy intensified the trend toward consumerism and reinforced the materialistic icons produced by *turismo*. The influx of tourists into Havana combined with the legalization of the dollar and the allowance of remittances to trigger the emergence of a new retail sector in Cuba. Prior to the resurgence of international tourism, the retail sector processed transactions only in *pesos* and sold mostly recycled clothes, inexpensive apparel, and new and used appliances. The store environments were drab and colorless, with no stylish in-store or window displays to encourage buying [56]. The new retail sector, developed during the resurrection of international tourism, mimicked the design of retail shops in market-based consumer societies [57].

On the surface, the *rebeldes* appear to be enthusiastic supporters of this trend toward consumerism. For instance, in the entranceway of *Tienda Carlos Tercera*, a Central Havana shopping mall, a sign announces, "Sales + economy + efficiency = r-evolution." In this shopping complex, and many other stores throughout Havana, *habaneros* must make purchases in dollars or Cuban *convertibles* [58]. But, while the *rebeldes* appear to be promoting consumerism, an alternative explanation may be they are encouraging *habaneros* to buy goods in retail shops rather than on the black market as these retail outlets will serve to capture the dollars. The *rebeldes* are trapped in a vicious cycle. They need the market-based retail shops to counteract the black market and capture dollars. Conversely, the establishment of this sector has led to the emergence of a culture of consumerism contrary to revolutionary ideology. Thus, regardless of original intent, consumerism and materialism became significant cultural forces in the development of Cuban society during the nineties.

Many *Cubanos* lack the discretionary income necessary to purchase the goods they "want," nevertheless, they still long for these items. *Cubanos* want dollars, not to make ends meet, but to buy washing machines, furniture, CD players, stylish clothes, fancy jewelry, perfume, purchase a car or motorbike, computers, eat out in a restaurant, or go dancing at *Casa de Musica* or some other discothèque, and to repair and improve their apartments [59]. By 2000, everyday life and culture in urban neighborhoods was no longer merely about survival and making ends meet; it was about obtaining the resources needed to purchase the consumer items "wanted" by *habaneros*.

5.3. Containing discontent

While the bold, pragmatic gamble by the *rebeldes* to use capitalism to save socialism paid off, it nevertheless produced formidable challenges for the *rebeldes*. The creation of a revolutionary society necessitated the development of a "new person," motivated by moral rather material aspirations. International tourism, however, spawned a countervailing force to the goals of the revolution—to build a society based on social justice, collectivism, reciprocity, and the equitable distribution of wealth. Consumerism promotes individualism and material incentives and generates ideals of the "good life" based on acquisition. Cuba does not have the desire or the resources to support the type of consumer-based society characteristic of advanced capitalist countries. Thus, tourism has generated a form of structural discontent among *Cubanos* that is likely to produce societal tensions for years to come.

Yet, it would be a mistake to interpret the development of Cuban society since 1989 exclusively through the lens of *turismo*. Aware of the cultural and socioeconomic problems associated with tourism, the *rebeldes* have launched new programs designed to grapple with these issues [60]. They developed, for example, highly functional, stable, well-organized neighborhoods, rich in social capital. Inside these neighborhoods, cooperation and reciprocity are necessary for survival. Therefore, the values characteristic of Cuban neighborhoods also function as a counteractive force to the accelerated rise of a culture of consumerism and materialism. Concurrently, we should stress that not all *Cubanos* are enthralled by consumerism and materialism. For example, subsets of influential rap music groups voice open hostility to consumerism and market-based ideologies [61]. While

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Table 1
Scenarios for the future of tourism in Cuba.

	Political structures	Tourism development	Socioeconomic conditions
Scenario One	Current form of government in Cuba remains the same and that relations with the United States are fully restored.	Tourism expands rapidly as U.S. citizens permitted to travel to Cuba without restriction and U.S. companies to invest freely in the island.	Intensified consumerism and materialism, social inequality, differentials in income distribution, and social unrest.
Scenario Two	Cuba transitions to a U.S. style democracy based on a multi-party political system and a market-based economy.	Tourist industry rapidly expands into casino resort gambling, pornography and sexual tourism.	Neighborhood social function and universal system of social services are dismantled and life of *habaneros* deteriorates.
Scenario Three	Continuation of the Cuban economic and political system with no significant improvement in relations with the United States	Tourism continues to flourish in Cuba and the country's economy remains strong.	Social discontent continues but the mitigating forces of neighborhood life and culture will contain unrest

people may want to purchase more consumer items and have more discretionary income to spend on entertainment, most do not want to unravel the country's intricate social foundation system. Thus, if the *rebeldes* maintain their focus on neighborhood development and meeting the needs of the *clases populares*, the discontent, frustration, and anger generated by the rise of consumerism and materialism will not destabilize the country and result in a U.S. style of democratization.

6. Alternatives for the future of tourism in cuba

Tourism is now the foundation of the Cuban economy, and there are no scenarios which envision the Cuban government dismantling the industry. Within this context, there are three broad scenarios that might inform thinking about the future of tourism and its social consequences for Cuba. These are summarized in Table 1.

6.1. Scenario One: accommodation with the U.S. and unrestricted tourism

The first scenario assumes that the current form of government in Cuba remains the same and that relations with the United States are fully restored. The U.S. government will allow its citizens to travel to Cuba without restrictions and will allow U.S. companies to invest freely in the island. Numerous colleges and universities will reestablish summer study abroad and cultural exchange programs. Cuba will become the dominant force in the Caribbean tourist market by pulling a significant share of the U.S. tourist market from its competitors [62]. Given the wide range of tourist attractions available on the island, Puerto Rico, the Dominican Republic, Mexico, and others will not be able to offset its appeal. The opening up of the Cuban tourist market would stimulate considerable investment in Cuba by the U.S. hospitality industry. Concurrently, the influx of U.S. tourists and entrepreneurs will intensify consumerism and materialism, while simultaneously shattering all efforts to maintain a separation between *Cubanos* and *turistas*. This will lead to an intensification of social inequality, differentials in income distribution, and social unrest. It will also spawn increased racism and sexism. However, the government will maintain its emphasis on social development by raising wages while simultaneously strengthening social subsidies and developing neighborhoods. Thus, the additional economic resources will create a sufficiently prosperous society to offset the growth of consumerism, inequity and the resulting dissatisfaction.

6.2. Scenario Two: democratization, the growth of tourism, and consumerism

In this scenario, Cuba transitions to a U.S. style democracy based on a multi-party political system and a market-based economy. Miami-based *Cubanos* become influential in governance as the island transitions to capitalism. The tourist industry will also expand into casino resort gambling, pornography and sexual tourism, as it comes to dominate the Caribbean tourist market. Economic growth, however, will not translate into a higher quality of life among *Cubanos*. The promise of enabling *Cubanos* to become U.S. style consumers is a false one. Changes in property tenure combined with diminished interest in neighborhood development will trigger the accelerated rise of vulnerable communities. The new government will dismantle the social approach to neighborhood development. Racial discrimination re-emerges, crime increases, street children reappear, and the social life of ordinary *habaneros*, especially Afro-Cubans will deteriorate. Urban centers like Havana and Santiago de Cuba will resemble distressed neighborhoods throughout the Americas, including the United States.

6.3. Scenario Three: the current regime continues without a change in U.S. relations

The third scenario assumes the continuation of the Cuban economic and political system with no significant improvement in relations with the United States. In this scenario, tourism continues to flourish and the economy becomes increasingly strong as the leftward drift in Latin America grows. Cuba remains a force in the Caribbean tourism market and the *rebeldes* continues to apply creatively the principles of socialist market development to their country [63]. Even so, social inequities will grow and the societal tensions generated by consumerism will deepen. Concurrently, the *rebeldes* will

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continue to strengthen social programs and aggressively attack social problems. Thus, although social unrest will exist, the mitigating forces of neighborhood life and culture will sustain the revolution and keep the unrest from morphing into a movement toward U.S. style democratization and a capitalist market economy.

7. Conclusion

The central theme in this paper has been that international tourism imbued everyday life and culture in Cuba with capitalist consumerism and materialism. Will the ongoing growth of the tourism, leisure, and hospitality industry bolster the development of consumerism and intensify tensions in Cuban society, or will the values of consumerism and socialism co-exist? Within this context, we pose the question, "Can capitalism be used to save socialism?" Tourism, the most capitalist of all enterprises, has steadily grown since the beginning of the Special Period. This trend is likely to persist. Moreover, the most likely future development scenario will involve a thawing of relations between socialist Cuba and the United States, which will lead to the eventual influx into Cuba of thousands of tourists and entrepreneurs from the United States. This will spur the continued development of consumerism and market ideology, but will not lead to U.S. style democratization and the emergence of a market economy. Rather, the values of consumerism and socialism will co-exist as Cuba acquires the capacity to incorporate a variety of socioeconomic trends into their political system. Cuba, regardless of the developmental path taken, has little chance of becoming a wealthy nation like the United States. However, the continued growth of tourism and the overall expansion of the economy will provide the resources needed to sustain its social development strategy. Ultimately, with the contradictions properly managed and corruption and inefficiency kept to a minimum, Cuba *will* be able to successfully use "capitalism to save socialism."

This essay is based on the forthcoming book on neighborhood life and culture in Cuba, Henry Louis Taylor, Jr., Inside El Barrio: Race, Class and Everyday Life and Culture in Havana during the Special Period (Bloomfield, Ct.: Kumarian Press, 2009).

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