

NEWS WRAP

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The grassroots of the Cuban revolution are the Committees for the Defence of the Revolution (CDRS), set up by Fidel Castro in 1960. In 2007, 8.4 million of Cuba's 11 million population, were members of the CDRS. Facing abdominal surgery, Fidel Castro had handed over his powers to his younger brother, Raul Castro, in July 06. Fidel Castro announced his retirement from the posts of Cuba's president and its "commander in chief", in February 08. He ruled Cuba for 49 years with-standing ten US presidents, and their economic embargo against Cuba. Cuba achieved world class health and education services under Castro. Though retired as president, Fidel Castro remains first secretary of the Cuban Communist Party. On 24 Feb 08, the council of state elected Raul Castro, aged 76 years, as Cuba's president. Power has been transferred peacefully.

The collapse of the Soviet Union led to the termination of Russian aid. The United States embargo completed Cuba's economic bankruptcy. Between 1989 and 1993, the Cuban economy shrank by about 35%. Fidel Castro had introduced a "Special Period" of sharp austerity and meaningful economic reforms. Mass tourism and foreign investment, mainly in hotels, Nickel mines, telecoms and oil exploration were encouraged. Farmers' markets supplemented inadequate official rations. Family businesses like restaurants, plumbers and electricians were licensed for the first time, since 1960. The dollar became a new source of hard currency, in the form of remittances from the million Cuban-Americans. The "convertible peso" (CUC) replaced the dollar, and is now valued at \$ 1.08. The economy stabilized, and there was a moderate growth of about 5.5%. Barter agreements between Cuba and Venezuela's Hugo Chavez assured 20,000 Cuban doctors, sports trainers and security specialists work in Venezuela. Cuba received from Venezuela 92,000 barrels of oil per day, and aid worth \$ 800 million in 2006, and \$ 1.5 billion in 2007. A Soviet era oil refinery, near the southern city of Cienfuegos was made operational in November 07. Defunct industrial plants, like a rusting fertiliser factory, near the refinery, were restarted. Besides boosting economic growth, Venezuelan aid has over-hauled Cuba's electricity system, 52 million incandescent light bulbs have been replaced with energy saving bulbs. Chinese credit to Cuba, has enlarged Cuba's buses and trucks, with new, more fuel efficient Chinese manufactured transport vehicles.

Political relaxation has emerged since Raul Castro assumed powers. Writers and artists have increased autonomy. More state land has been handed over to family farming, and a debt to dairy farmers paid off. More money is being spent on transport, for purchasing more Chinese buses. Higher autonomy powers are being enjoyed by provincial officials. The decree that workers in foreign companies must pay tax on their unofficial bonuses, allows companies to vary pay according to performance. Cuban communism, derived from a national revolution, is not being dismantled. The "structural and conceptual changes" are strengthening the state institutions. Since Mr Hugo Chavez's stay in office is not indefinite, Venezuelan aid cannot continue for decades. Cuba imported \$1.6 million on food, and imports the greater portion of its fuel. Repeated defaults on foreign debt, have caused restrictions on credit. "Popular discontent" could arise

