

**Cuba's "Equity without Growth" Model:
What's wrong with this formula**

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Most scholars of development agree that the ideal goal of economic policy ought to be “growth with equity:” national incomes must expand steadily, and access to economic assets must not be too unequally distributed. There is disagreement about what exactly “too unequally” means, but there is agreement that, at a minimum, equity must mean that disparities in citizen access to economic assets such as education and health must not be profound.

Latin America is frequently criticized for faltering on the equity side of this formula—even during periods of high growth, equity variables fail to improve or even deteriorate (see World Bank 2003). Revolutionary Cuba, on the other hand, is often praised as a counterexample—even in periods of economic hardship, the regime manages to preserve equity.

This paper seeks to raise some doubts about the praiseworthiness of Cuba’s model of “equity even without growth.” I will argue that Cuba’s model of equity without growth is, far from an achievement, a sign of a grave malaise.

Growth remains mysterious. Economists remain at a loss in trying to specify the conditions that foster, hinder and sustain growth. But they have come to realize that the most conducive context for economic growth is some degree of equity. When citizens enjoy decent education and health, and more important, are free from the politics of polarization and hatred that pervade societies plagued by inequities, they are best equipped to channel their energies toward inventiveness, investment and wealth creation.

Cuba has had decent levels of equity since at least since the 1970s, and yet, to this day, it has not shown signs of sustained economic growth. Quite the contrary, Cuba has

had income stagnation and contraction for quite long time. Precisely because human capital is so strong, the absence of economic growth in Cuba must be indicative of some particularly onerous obstacle to human ingenuity. That obstacle, I argue, is the state, and more precisely its restrictive policies against property rights. The very fact that the Cuban regime has perpetuated an economic model of equity without growth is a loud sign of the extremity of state oppression in Cuba, rather than a sign of the softer side of the state, as some like claim.

I am not arguing that equity is bad because it has hampered growth; this is not an equity-is-bad-for-growth paper. I argue instead that the state is bad because it has hampered an equity-based, and thus, growth-ready society from generating growth.

In making my argument, I proceed as follows. First, I briefly show that Cuba's revolutionary trajectory consists of equity without growth (in the best years). I then discuss the problem entailed by this model, and why it suggests the presence of undue state repression of property rights. I then compare China and Cuba to specify various ways in which the Cuban state represses property rights. I conclude by illustrating the negative consequences of Cuba's suppression of economic rights by discussing two economic sectors which could have boomed in the 1990s, but didn't—bicycle production and the Internet.

I recognize that I will probably not settle any debates with this paper. I do not use any original data or sophisticated social science methodology to prove my argument that equity without growth is a sign of the existence of an unusually onerous growth-damper in Cuba. Readers might still disagree about my argument that this damper is the suppression of property rights (some will blame the embargo, maybe even the

education/value system for Cuba's no growth). I don't refute those arguments; I simply wish to offer an alternative one. My intention is to encourage scholars to debate more seriously what is often considered an unquestionable virtue: the persistence of equity without growth. To me, this persistence is a clear manifestation of Cuba's development failure.

I. No-Growth Cuba

In terms of economic growth, neither the brief second Batista regime (1952-1958) nor the prolonged Castro regime (1959-present) has anything to be proud of. For the past 50 years, Cuba has been one of the worse performing economies in the Western Hemisphere. Table 1 compares Cuba's income per capita with that of China and the average for 44 Latin American and Caribbean countries from 1950 to 1998. It is based on figures by Angus Maddison (2001), a well respected world economic historian with no known bias on the issue of Cuba.

Cuba's income per capita trajectory can be summarized in three words: *contraction* (under Batista and the first 15 years of the Castro regime), 2) *stagnation* (between mid 1970s and 1981), and 3) *contraction-turned-depression* (1986-1994). In the 49 years covered by the data, Cuba's income per capita increased only in six years: in 1975 and between 1982 and 1986). Most Latin American governments during this period have had their fair share of contraction, stagnation, and depression, but few other Latin American countries have had so few years of per capita income growth as Cuba.

On the whole, while Latin America's income in 1998 was almost three times larger than in 1950, Cuba's income was 35 percent lower.

Cuba's dismal growth performance becomes evident in comparison with China, another communist state to survive the collapse of the USSR. Starting at a considerably lower level of income per capita, China experienced very modest growth until 1982. Thereafter, China's income per capita skyrocketed, and today, far surpasses Cuba. The difference between China and Cuba in economic performance becomes particularly pronounced in the mid 1980s, coinciding with the different choices of economic model. China reinforced market-oriented reforms while Castro launched his famous crackdown on farmers' markets (1986-1993) and its timid market reforms (1994-1996).

II. Equitable Cuba

Most economists agree with Amartya Sen, however, that income is not a complete indicator of economic well being. Just as important is the extent to which people's basic necessities are being met. On two indicators of basic necessities—access to health and education—the Cuban regime often ranks at the top. The latest review paper on this topic (Ranis and Kosack 2004) provides the basic data. Prior to the Revolution (circa 1959):

- 1) Cuba had a gini coefficient of 0.57—indicating high income inequity.
- 2) There were no secondary schools in rural areas; 40 percent of rural workers had no schooling; adult illiteracy was 13 percent—indicating a high level of education inequity, at least in terms of rural vs. urban Cuba.

- 3) The infant mortality rate was 80.6 per 1,000 live births, while life expectancy for males was 60.8 years for males and 64.2 percent for females.

By the mid 1970s, these equity indicators improved:

- 1) Income inequity declined.
- 2) Education inequity declined: Cuba achieved universal primary education in rural areas; the proportion of the population enrolled in secondary education expanded to 12 percent in 1980 (from 1.75 percent in 1960).
- 3) And life expectancy continued to increase and infant mortality continued to decline.
- 4) By the early 1970s, levels of health and education were comparable to that of the United States, despite Cuba's significantly lower income.

In short, by the late 1970s, Cubans enjoyed equity in income and assets. Some scholars, however, are not that impressed—they feel that the official figures exaggerate Cuba's achievement (Mesa-Lago 2000, 2002), that the starting point was favorable and the rate of improvement in pre-Revolutionary Cuba was better (McGuire and Frankel 2004), that income inequality was achieved by generalizing poverty (depressing consumption) rather than distributing wealth, that the economy was heavily dependent on Soviet subsidies (Pastor and Zimbalist 1985; Pakenham 1989) or that equality indicators have deteriorated significantly in the 1990s (Fabienke 2001). For the sake of argument, I

will leave these disputes aside and accept that Cuba by the late 1970s did register significant levels of equity in income and access to economic assets—at least far more than ever in Cuban history and far more than comparable developing countries. Access to education and health placed Cubans in the same category of the world's most advanced economies. In a comparative perspective, Cuba thus occupies the upper right quadrant of Table 1.

III. The problem of Equity without Growth

Many scholars find it admirable that Cuba was able to promote and sustain levels of equity despite the country's growth underperformance. They see this as a sign of the extra premium the regime places on human capital formation. The implication tends to be that any other government, facing economic contraction, would certainly have chosen not to invest on people.

There are, however, two alternative views to Cuba's equity without growth model. One is to argue that the pursuit of equity hurt Cuba's growth prospect. This argument would be based on the so-called Kuznets' (1955) hypothesis, who found an inverted-U relationship between income equity and growth. In the initial stages of growth, when countries initiate their transition from rural to urban economies, equity declines due to the effects of urbanization and industrialization. However, Cuba defies Kuznets' hypothesis: The pursuit of equity did not preclude urbanization and some degree of industrialization. Equity, therefore, cannot be the reason for Cuba's growth underperformance.

The second interpretation of Cuba's equity without growth performance is that some other factor must be blocking growth. In the past decades, there has been a boom of studies on the impact of equity on growth. According to a recent review of these studies, the conclusion from this line of research is "impressively unambiguous:" greater inequality (in the distribution of income and land) reduces the rate of growth, and symmetrically, equality seems to be growth enhancing (Aghion, Caroli, García-Peñalosa 1999). A more recent IMF paper (Baldacci et al. 2004) finds that an increase in education spending of 1 percentage point of GDP is associated with a total increase in growth of 1.4 percentage points in 15 years. Similarly, an increase in health spending of 1 percentage point of GDP is associated with an increase of 0.5 percentage point in annual per capita GDP growth.

There are various reasons why equity is good for growth. One focuses on microeconomics. In more equitable societies, where citizens have comparable access to decent wages, health and education, they can devote their energies, not to survive, but to invent, invest, produce and form economic partnerships. The other mechanism is political. In more equitable societies, domestic political tensions and mistrust are lower. In highly unequal societies, the rich are fearful of the masses, and the masses are resentful of the rich, resulting in a plethora of political vices: high levels of mistrust across classes, higher incidence of crime, low propensity to form partnerships, and biased or risk-averse institutions of credit. All these vices lessen entrepreneurship, and thus growth.

Cuba is thus an empirical aberration. It defies the trend that greater equity and growth go together. Cuba is privileged to enjoy enviable pro-growth conditions—equity

of income and assets—and yet it has an embarrassing growth performance. For this reason, something very serious must be blocking Cuba’s growth potential. That something, I argue, is suppression of economic and political rights.

IV. Property Rights in Cuba and China, 1970-present

In the past two decades, the concept of property rights has achieved a prominent status among theorists of democracy and development. The old Lockean idea that property rights are a prerequisite for accountable state power has now become well understood even by theorists of development (see Mancur Olson 2000). And yet, Cuban scholars have not paid sufficient attention to the price that Cuba has paid for suppressing property rights. In this section, I compare Cuba with China to show how serious property rights violations are in Cuba.

In the 1970s, Cuba and China shared the same economic model: state control of the economy with significant restrictions on property and political rights. The results were similar: equity without growth (see Chart 1). In a story that almost every social scientist has heard by now, China in the 1980s changed development model by granting greater economic rights to both citizens and foreigners. The results were immediate: growth skyrocketed, with some signs suggesting that equity variables have actually improved (Wolf 2004:159).

Cuba, on the other hand, hardly expanded property rights. A brief experiment with a limited property rights (the free farm markets of the early 1980s) was aborted in the mid 1980s; and the economic reforms of 1993-1996 amounted to nothing more than

property rights for foreigners and the military. Essentially, Cuba in the 1990s copied China's model of economic opening to the outside world but not its economic opening toward citizens. Cuba globalized but did not liberalize. The results were dismal: growth in the 1990s was mediocre, and equity variables declined.

To this day, the Castro regime remains a world champion of restrictions of property rights, with both formal and informal restrictions. The formal restrictions are found in Cuba's constitution, which enshrines a series of institutions and judicial principles that foreclose the possibility of private transactions among individuals (see Domínguez 2003):

- state monopoly over land and most productive assets (Article 15);
- ban on private sales and purchases of economic assets (Article 15),
- state control of the economy (Article 16),
- state administration of public enterprises (Article 17),
- state control over foreign trade (Article 18)
- restrictions on what small farmers can do with land and products (Article 19).
- ban on private mortgages (Article 19)
- ban on hiring labor (Article 21)
- severe restrictions on inheritance rights (Article 24)
- In the event of expropriation, indemnization is not guaranteed but is conditional on political evaluation (Article 25).

The informal restrictions are numerous although harder to document. Essentially, the Cuban government in the 1990s allowed some minor market activities (self-employment), while simultaneously becoming the principal harasser of any form of

entrepreneurship. Most sociologists agree that, to survive the economic hardship of the 1990s, Cubans exhibited unseen levels of inventiveness. Whenever these inventions turned into economic partnerships or profit-making activities, the state proceeded to repress them.

To illustrate the extent of state harassment of Cuban ingenuity, I reviewed an annual report of state actions against citizens. Because of time restraints, I was only able to review two years: 2002 and 2003. Table 2 lists the episodes of economic harassment that I found.

These assaults against property rights (arbitrary revocation of licenses, restrictions on services, excessive fining and taxation, arrests, confiscation of assets, surprise inspections, and general harassment) have less to do with politics than with mere disdain for private property rights. The target groups are typically associations of small merchants, cooperatives, private taxis, street vendors, or small trade associations. They are not necessarily vocal dissidents.

These economic repressive measures probably occur randomly, but they are not infrequent. Cubans therefore know that at any moment, the Cuban state is ready to punish them for their economic inventiveness. The result is a society in which citizens, despite having the right ingredients for entrepreneurship (economic necessity and high levels of human capital) face enormous penalties for pursuing that route, and hence, easily desist.

Cuba's command economy, with its ancillary restrictions on property rights, impairs growth in at least two ways. The first is that many business opportunities are overlooked. Investments are in the exclusive hands of the state, and yet states have two

inherent features that preclude them from being savvy investors. First, their primary objective is not to make money but to survive politically by neutralizing rivals—they thus have other more urgent goals. Second, states cannot be omniscient; they cannot possibly discern all the possible business opportunities the way a decentralized market with multiple investment-seeking agents can. The point is not that the Cuban state is incapable of developing sectors—it has promoted unexpected competitive advantages in biotechnology, for instance (see Erickson 2004). The point is that the state cannot possibly take advantage of all available business opportunities.

The second way in which restrictions on property impairs growth is by discouraging and penalizing the ingenuity of citizens. As North and Thomas (1973) argued in their theory of the rise and fall of nations, when institutions do not allow people to maximize and retain private returns from their efforts, social outputs (or investments) will falter. In Cuba, the restrictions of private returns are simply too onerous, and so, citizens will try and in the end abandon productive activities.

V. Illustration: Two Bike Stories

Illustrating my argument is not easy. I am arguing that Cuba's command economy and ancillary restrictions on property rights produces a non-event—no growth, through missed investment opportunities, and citizens giving up on entrepreneurship. In the social sciences, explaining non-observable events is always difficult: how can one prove the cause of an outcome that did not happen? One solution is to do a comparison of cases. One case is selected to show the connection between the posited causal factor

and the outcome (property rights and economic growth). For the other case—the negative case—one can use counterfactual analysis (imagining what would have happened if the posited variable had had a different value) and process-tracing (identifying the origin of certain decisions and its path-dependence consequences) to show the impact of the posited variable (McEwon 2004). In this section I compare the bicycle sector in China and Cuba to show how the suppression of property rights hurts growth in Cuba.

In the early 1990s, both Beijing and Havana were bicycle capitals of the world. Because incomes were low and transportation needs were large, both cities had a large demand for bikes. Cuba in particular faced a sudden fuel shortage, and thus, the demand for any low-energy transportation alternative was urgent. Bikes proliferated in both countries. In 1990, Cuba became one of the world's most important importer of Chinese bikes, agreeing to buy almost 500,000 Chinese bikes that year alone (Inter Press Service, November 27, 1990).

Today, however, the bicycle sector in both countries is contracting, but for very different reasons. In China, bikes were replaced by the effects of economic growth: incomes rose, and the demand for bike was replaced by the demand for cars. In Cuba, bikes were killed by the lack of property rights. Here is what happened.

A. China: Globalization, Property Rights and Competition

In the early 1990s, the Chinese state allowed private companies to meet the huge local demand for bikes. Soon, Chinese bike companies improved their technique and

began to produce reliable low-cost bikes. Given that many developing countries had similar conditions as China (low income and large urban transport problems), export opportunities abounded. Chinese bike companies seized these opportunities and, by the mid 1990s, bike exports became one of China's most dynamic businesses. At some point, China was producing more than 78 million bikes per year—one third of the global total.

Today, the biking industry in China is contracting mostly because the car industry is replacing it. Bicycle ownership declined from an average of 182.1 bicycles per 100 households in 1998 to 142.7 in 2002. In Beijing, only 20 percent of commuters rode bikes in 2002, in comparison to 60 percent in 1998 (*Xinhua News Agency*, December 22, 2003). The reason is that China's export-led, property-rights granting model of economic growth (of which the bicycle industry was one of its earlier beneficiaries) led to a huge increase in income, sometimes double in urban areas, since the 1990s. It also led to the establishment of new car companies (through competitive foreign direct investments). As incomes rose and car prices declined, the market for cars boomed (*China Daily*, September 21, 2004). In 2003, China was producing 2 million cars, up 83 percent from 2002, making China the fourth largest car producer in the world. The new car manufacturing firms are using the rise of local demand for cars to replicate the growth story of bikes—improve technical capacity, lower costs, and seize export opportunities.

The Chinese bike industry is surviving mostly because of exports. China's Guangdong province alone handled the export of nearly 18 million bicycles valued at 530 million US dollars in 2002, up 11.2 percent and 10.9 percent respectively. China has been able to capitalize on the worldwide bike demand, not just from low-income

countries, but also from high-income market niches (in OECD and ASEAN nations), whose appetite for recreational bikes is strong (*Financial Pages*, February 12, 2003).

In short, China's export-oriented, property-rights granting, competition-injecting model of economic development produced three, possibly four, booming economic sectors where there was none: domestic bike production, bike exports, domestic car production and, possibly soon, car exports.

B. Cuba: Globalization *sans* Property Rights

In Cuba, where property rights are non-existent and the state remains in command of investments, not even globalization forces helped generate any of the above economic booms. The bike industry in Cuba, which had the same growth potential as in China, never really took off, and today, it is dying. The two mechanisms mentioned—states overlooking business opportunities and citizens desisting entrepreneurship—are to blame.

The state overlooks investment opportunities. Cuba had all the right conditions for a booming bike industry: 1) large domestic demand; 2) the possibility of producing on a massive scale and thus lower costs; and 3) foreign interest in an economic partnership (Chinese bike producers approached the Cuban state to develop this sector). And yet, the Cuban state failed to take this advantage to build a truly competitive biking industry. Some capacity for local bike production was created, but nothing else. If Cuba had developed its bike industry, it might have been able to compete (or form partnerships) with China to capture export markets. It might have even been able to sustain the local market. Because the Cuban state did not make the necessary investments, the sector

suffered from severe shortages in spare parts. Riders were forced to stop using bikes, and bike repair shops to reduce/close their businesses (*Inter Press Service*, September 26, 2001). Any savvy investor would not have allowed this business opportunity to go by. But the Cuban state had other priorities at the time and did not want to be bothered with market development.

The state oppresses local entrepreneurship: the attack on bicitaxis. In the wake of Cuba's recession-turned-depression (1986-1994), Cubans needed not only public transportation, but also means to survive financially. Bicycle owners took advantage of their newly acquired assets to satisfy both needs. They began to convert their Chinese bikes into rickshaws suitable for taxi services for two passengers (see Figure 1). Cubans were taking advantage of one of the few property rights acquired in the early 1990s: the 1993 legalization of bicitaxis (*The Associated Press*, October 22, 1993). Bicitaxis proliferated in many urban neighborhoods. But in February 2001, the government started a harassment campaign against bicitaxis, first by imposing prohibitive taxes, then by imposing fines, confiscating bicitaxis, and more recently, virtually discontinuing the issuing of new licenses, and arresting leaders of small bicitaxi federations. In 2002, a march by bicitaxi operators in Nueva Gerona was repressed by the police. More than 600 bicitaxis were confiscated in Havana in November 2004 (www.cubanet.org November 5, 2004). In March 2005, the National Tax office (*Oficina Nacional Tributaria*), after a series of fines, finally revoked Roger Benítez Palmero's self-employment license, thus precluding him from offering bicitaxi services. Mr. Benítez leads one of Havana's bicitaxi federations (www.cubanet.org/sindical/news/y05/03160501.html). Because of

these economic attacks, bicitaxis in Cuba are dying, as are most examples of inventiveness and entrepreneurship.

VI. Suppression of Political Rights and Development: The slow growth of the Internet

Contrasting Cuba and China may give the impression that all is well in China's economy. Nobody today is that naïve. China's impressive economic growth contains at least two salient cracks: the dynamic, export-oriented sector is overheated, fed by runaway investment (IMF 2005) and its huge statist sector is stagnant and inefficient (Zeihan 2005). One more deficiency can be added to this list: the drag on growth caused by the suppression of political rights, a variable that China shares with Cuba. One way to illustrate the detrimental impact of political rights suppression on growth and development is to look at the evolution of the Internet in Cuba and China.

The information revolution of the 1990s is the hallmark of modern economies (this paragraph draws from Corrales and Westhoff 2005). It is hard to imagine any economy disconnected from the information revolution truly thriving in today's information-sensitive world. Technology is a reliable engine of growth, and in the last 15 years information technologies have emerged as the most dynamic engine of economic modernization. Information technologies may not be a development panacea, but it is unimaginable for an economy to be competitive without taking part of this information revolution.

One indicator of the extent to which a country is taking advantage of the current information revolution is the number of Internet users per capita. Chart 2 shows Internet

use for Cuba, China, Chile and Costa Rica, and the average for lower-middle and middle-income economies, from 1996 to 2002. The disparities in rates of growth are enormous. Chile and Costa Rica are taking full advantage of the Internet revolution. In contrast, China is moving considerably more slowly, and Cuba is hardly moving.

One would think that China, with its vigorous economic growth and obsession with globalizing its economy, would be exhibiting higher rates of Internet growth. The reason it isn't is that Internet use is highly sensitive, not just to income variables, but to political variables. Authoritarian regimes, almost by definition, are opposed to information dissemination, and thus, create barriers to Internet adoption. The only force that tempers the tendency of authoritarian regimes to curtail Internet use is the extent to which they are interested in globalizing their economies and granting economic rights to citizens. Growth-committed and market-oriented authoritarian regimes are more amenable to adopting Internet than other authoritarian regimes.

This explains China's weak performance in Internet use. Like Cuba and every other totalitarian regime, the Chinese state is terrified of the Internet as a potential tool for dissidents. But unlike Cuba, China has an interest in globalizing its economy. State officials thus do not want to restrict the Internet fully. Furthermore, China extends property rights to citizens. The result is that Chinese firms and economic agents, which are a growing part of Chinese society, have a large demand for Internet use. China cannot afford to repress that demand. So China is of two minds about the Internet: it fears the political uses of the Internet, but it craves its economic rewards. China's solution has been to regulate *content*: develop mechanisms of digital surveillance in order to catch politically incorrect uses of the Internet and control Internet traffic by

opening only a few official domains. However, the state does not seriously restrict *access*. Almost everyone is allowed to have access to the Internet. China is thus not foregoing the information revolution of the current period, but it is not embracing it fully either.

Cuba, on the other hand, is once again choosing to miss this new technological revolution. Cuba's stagnant rate of Internet adoption is all the more surprising because Cuba is rich in the other factor that decisively fosters Internet adoption—high levels of human capital. The reason that Cuba, despite relatively good human capital variables, exhibits dismal levels of Internet adoption record is, again, suppression of political rights.

Because the Cuban state is terrified of the Internet, it has deployed one of the most draconian Internet control mechanisms in the world. Unlike China, the Cuban state is not interested in globalizing the economy, and so, it feels it can afford to forego the economic gains of the Internet. Furthermore, because the Cuban state does not grant property rights, there isn't a significant society-based demand for connectivity, since typically, businesses are a major demanders of connectivity. Consequently, the Cuban state can afford to impose severe restrictions on the use of the Internet. Cuba not only blocks content (as China does), but also access: the sale of computers (printers, photocopiers and fax) is strictly regulated; Internet cafes are essentially unavailable or prohibitively expensive; only government offices receive Internet connections; private citizens must solicit permission from the state to get a connection; emails are routinely monitored (see Reporters without Borders 2004; Hoffmann 2004).

In short, both countries are failing to take full advantage of the Internet revolution. In China the suppression of political rights is hurting even damping the

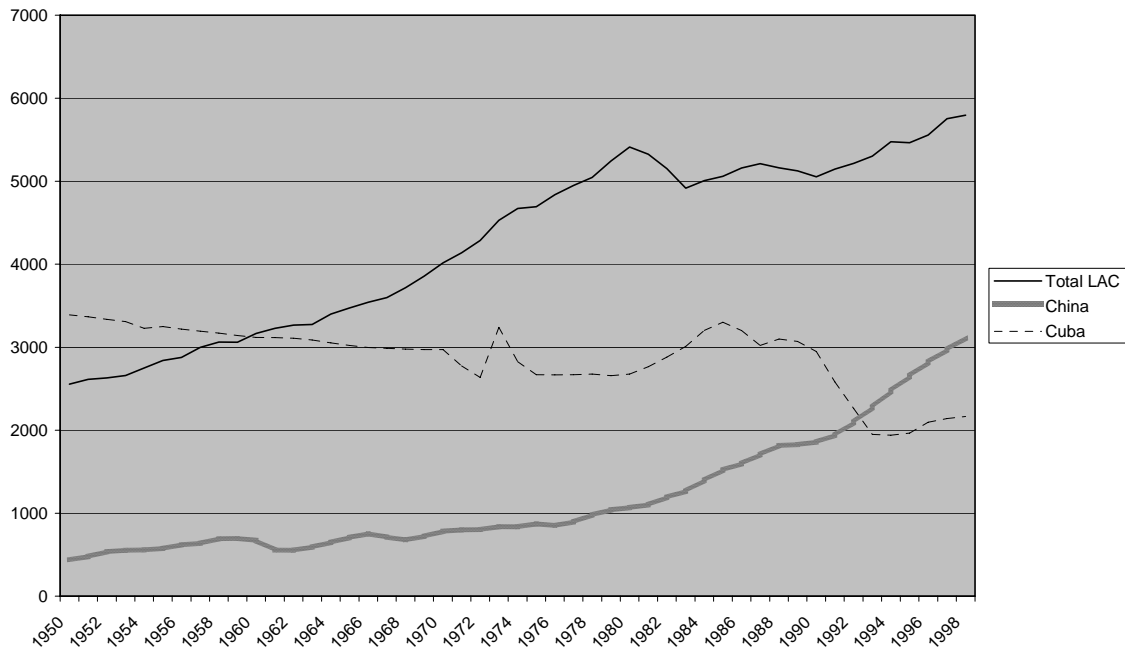
country's formidable growth; in Cuba, the combination of political and property rights is producing even more detrimental effects. The paradox of Cuba's position toward the Internet is cruel: Cuba is providing free training to some 30,000 students in new technology centers (again, equity promotion), but it deploys the most severe controls on Internet use. The Cuban state creates human conditions for growth, but then deploys the most inhuman policies that keep that growth from materializing. With the Internet, Cuba is repeating its revolutionary development history: the hands of the state in suppressing political and economic rights are precluding Cuba from participating in a development leap that Cubans, precisely because of their privileged human capital, are well prepared to take.

VI. Conclusion

If conventional theory suggests that growth is a function of equity in human capital plus institutions that ensure property rights, the fact that Cuba has had negative growth in the context of high equity in human capital suggests that the value for institutions of property rights must be intensely negative.

More to come.

Chart 1: Cuba, China, Chile and LAC: Per Capita GDP, 1950-1999



Source: Maddison, Angus. 2001. *The World Economy: A Millennial Perspective*. Paris: OECD.

Table 1: Variations in Growth and Equity		
Distribution of Income and Access to Economic Assets	GDP Per Capita	
	Low Growth/Contraction	High Growth
Equitable	Cuba 1970-1990	East Asia, 1965-1990s; China 1981-2005
Inequitable	Latin America 1980s; Cuba 1990s	Latin America, 1960-1980

Sources: World Bank 1993, 2003; Wolf 2004; Fabienke 2001.

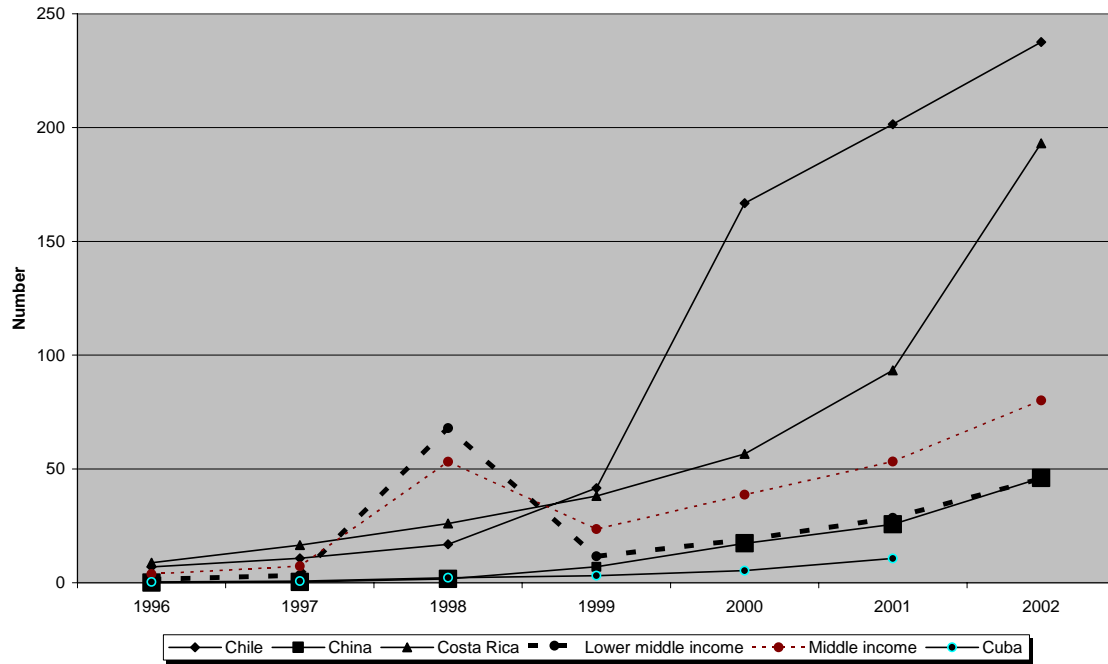
Table 2: Recent State Actions Against Private Economic Activities, 2001-2003	
<i>State Action</i>	<i>Target Group</i>
Harassment; disbanding meeting.	Founding members of the Independent Doctor's Office, Guane, Pinar del Rio, February 2003
Confiscation of profits and products; issuing fines	Street vendors, Municipality 10 de octubre, Havana, December 2002.
Arrest	Representative of the Support Group for Independent Cooperatives, Santiago, Oriente, November 2002
Harassment; disbanding meeting	Executive board of the first independent drug store, Candelaria, Pinar del Río, October 2002
Arrest	Labor activist seeking to form an independent union, Bayamo, Granma, September 2002
Harassment; confiscation of working permits	Members of the Independent Cooperative of Popular Pottery Workers, Isla de la Juventud, July 2002
Confiscation of profits and products; arrests	Street vendors, Lawton, Havana, June 2002
Persecution; issuing fines; threaten to confiscate cars	Private taxis, Moa and Sagua, February 2002
Harassment, confiscation of merchandise	Street vendors, Old Havana, Havana, December 2001
Arrest; issuing fines	Street vendors, Alquizar, November 2001
Harassment	Street vendors, Camaguey, October and August 2001
Persecution	Street vendors, Banes, Holguín and in La Víbora, Havana, August
Confiscation of bikes, removal of working permits	Owners of bicitaxis (taxi-bikes), Camaguey, August 2001
Confiscation of lands	Members of the an independent farming cooperative, La Palma, Pinar del Río, May 2001
Disbanding	Self-employed farm vendors, Poder Popular, Havana City, April 2001
Closure; issuing of fines	Workshops and galleries of many plastic artists; street vendors, February 2001
Restriction of services	Cuba's phone company (ETECSA) announces that it would install new lines only to "revolutionaries," especially presidents of CDRs, January 2001

Source: Directorio Democrático Revolucionario (2002 and 2003).



Picture 1: Bicitaxi in Centro Habana

**Chart 2: Internet Users Per 1,000 People:
Cuba, China, Chile, Costa Rica, 1996-2003**



Source: World Bank (2005).

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