

It's Undeniable that Fidel Castro Made Cuba Poorer

Fidel Castro, the Communist Dictator of Cuba, has died at the age of 90. There have been those, over the decades, who have held him up as some paragon of a new world order, one in which people will not be subservient to either America nor capitalism. The truth is that he visited an economic disaster upon the island nation of Cuba. No, it was not the US, it was not any blockade or embargo, not anything external to Cuba that caused this, it was quite simply the idiocy of the economic policy followed, that socialism, which led to there being near no economic growth at all over the 55 years or so of his rule. What little that did occur happened when the strictest of his rules were relaxed.

It is polite, human, and common to withhold criticism of the dead in the immediate aftermath of their demise. But leaving 11 million people grossly poorer than they ought to be in the name of a bankrupt ideology is not the stuff of which hagiographic obituaries are made.

The news [itself](#):

Former Cuban leader Fidel Castro has died at age 90, according to Cuban state media, confirms NPR.

Castro, who took power in the Cuban revolution in 1959, led his country for nearly 50 years.

True, infirmity made him relinquish some power in this [past decade](#):

Fidel Castro ruled Cuba as a one-party state for almost 50 years before Raul took over in 2008.

His supporters said he had given Cuba back to the people. But

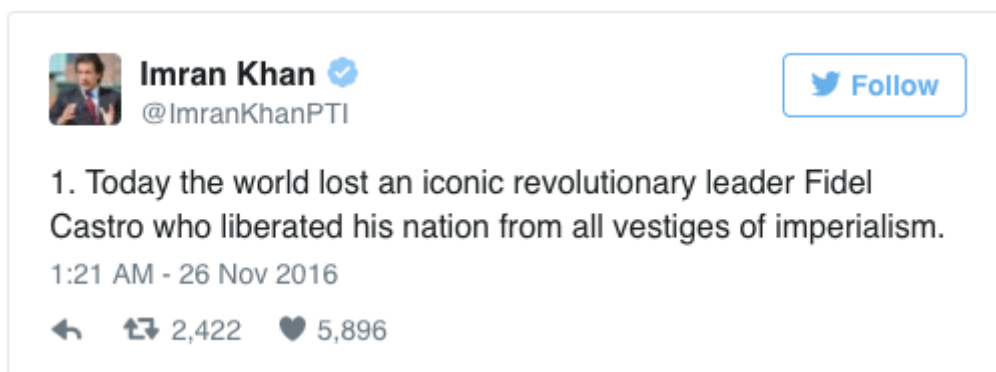
he was also accused of suppressing opposition.

There will be much of this sort [of stuff](#):

Transforming Cuba from a playground for rich Americans into a symbol of resistance to Washington, Castro outlasted nine U.S. presidents in power.

He fended off a CIA-backed invasion at the Bay of Pigs in 1961 as well as countless assassination attempts.

The problem being that the economic policy followed, that of socialism, didn't achieve the first thing that an economic policy is supposed to achieve: make the people richer. We will be awash, for months, in stuff like this:



And this will be repeated [again and again](#):

His greatest legacy is free healthcare and education, which have given Cuba some of the region's best human development statistics.

Amazingly, large parts of the world have both of those and all without killing anyone nor trying to impose socialism. As the *Guardian* itself notes in its very next sentence:

But he is also responsible for the central planning blunders and stifling government controls that – along with the US embargo – have strangled the economy, leaving most Cubans

scrabbling for decent food and desperate for better living standards.

It's that strangling of the economy which is the great disaster.

To give an idea of how bad that was we should use the Angus Maddison numbers. You can download the spreadsheet [here](#). These are in international dollars, so we have already adjusted for price differences across geography. And they are in chained dollars, so we have already adjusted for price differences, inflation, across time.

And in 1959, when Castro took power, GDP per capita for Cuba was some \$2,067 a year. About two-thirds of Latin America in general and about the same as Ecuador (1,975), Jamaica (2,541), Panama (2,322) and two-thirds of Puerto Rico (3,239). Despite that playground of rich Americans think it was, by the standards of the time, doing reasonably well.

By 1999, 40 years later, Cuba had advanced hardly at all, to \$2,307, while Ecuador had, relatively, jumped to 3,809, Jamaica to 3,670, Panama to 5,618 and Puerto Rico to 13,738. GDP isn't everything of course but it's still hugely important. For it's the basic measure of what it is possible that people, on average, can consume. And we don't tend to think that Ecuador, Jamaica, Panama and Puerto Rico were particularly well run in the latter decades of the 20 th century but at least they didn't have a government actively conspiring to keep them impoverished like Cuba did.

And that was the great economic disaster, the grand mistake. That scientific socialism of the Soviet type makes one great claim—or at least it did when it could still be said without people bursting into great gales of laughter. That by planning the economy, by doing away with the exploitation of capitalism and the chaos of markets, socialism would make the people rich. We then ran the world's largest economic controlled

experiment, something we call the 20th century, and found that socialism does not achieve this.

It is possible, if you really want to stretch matters, to say that this was not known in 1959. But all knew it by 1989, and that's where the Cuban system really deserves excoriation. And thus so does Fidel Castro, who imposed said system. In 1991 Albania was poorer than Cuba (1,836 as against 2,590) but that simple switch to a market economic system, however chaotic, near tripled the standard of living in only 20 years (5,375 in 2010).

For the result of that controlled economic experiment is that we have a fairly narrow spectrum of socio-political systems that actually work. Work here meaning doing what an economy is supposed to do, increase the living standards of the average person. This runs from the near *laissez faire* free market of Hong Kong to the tax and redistribution heavy free market of Sweden's social democracy. Any non-market system does not work.

And do note that Puerto Rico result. That Caribbean island remained under that American domination, that cruel capitalism and the chaos of markets. It was never enriched by the scientific planning of socialism. And living standards soared by a factor of 4 while those in Cuba stagnated for 5 decades. And the Cuban system justified itself by freeing Cuba from such American hegemony.

For that Fidel Castro should not be forgiven.

We also need to heed this lesson. Non-market economic systems do not work. We do only have that spectrum available to us, *laissez faire* all the way to social democracy. Socialism, not even once people, not even once.

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Tim is a Fellow at the Adam Smith Institute in London

This article was published on FEE.org. Read the [article](#). This first appeared in [Forbes](#).

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