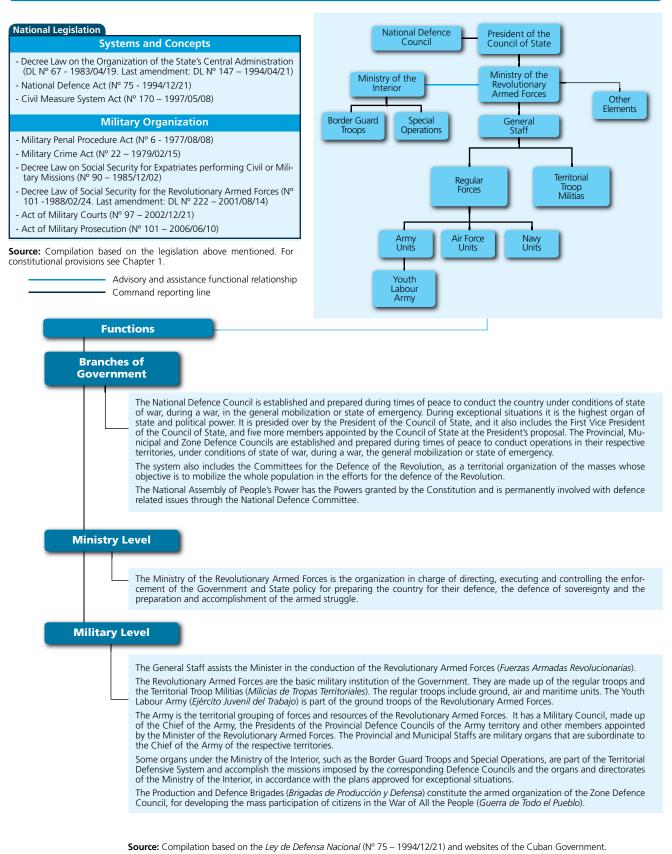


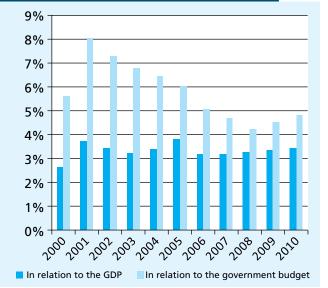
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The Legal Framework and the Defence System

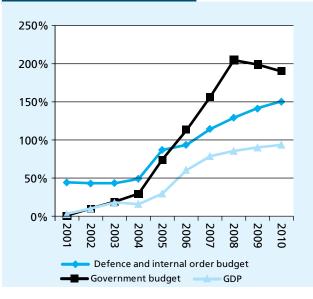


	The Budget						
Year	Defence and Interr	nal Order Budget	Governme	nt Budget	GDP		
	Domestic Currency	US\$	Domestic Currency	US\$	Domestic Currency	US\$	
2000	879,600,000	36,650,000	15,587,400,000	649,475,000	32,685,000,000	1,361,875,000	
2001	1,273,800,000	53,075,000	15,771,000,000	657,125,000	33,819,800,000	1,409,158,333	
2002	1,261,800,000	52,575,000	17,193,200,000	716,383,333	36,089,100,000	1,503,712,500	
2003	1,267,300,000	52,804,167	18,622,400,000	775,933,333	38,624,900,000	1,609,370,833	
2004	1,316,500,000	54,854,167	20,241,400,000	843,391,667	38,203,000,000	1,591,791,667	
2005	1,649,700,000	68,737,500	27,156,400,000	1,131,516,667	42,643,800,000	1,776,825,000	
2006	1,707,900,000	71,162,500	33,326,500,000	1,388,604,167	52,742,800,000	2,197,616,667	
2007	1,892,400,000	78,850,000	39,992,600,000	1,666,358,333	58,603,900,000	2,441,829,167	
2008	2,021,600,000	84,233,333	47,493,100,000	1,978,879,167	60,806,300,000	2,533,595,833	
2009	2,126,200,000	88,591,667	46,611,500,000	1,942,145,833	62,278,600,000	2,594,941,667	
2010	2,206,100,000	91,920,833	45,267,800,000	1,886,158,333	63,461,893,400	2,644,245,558	

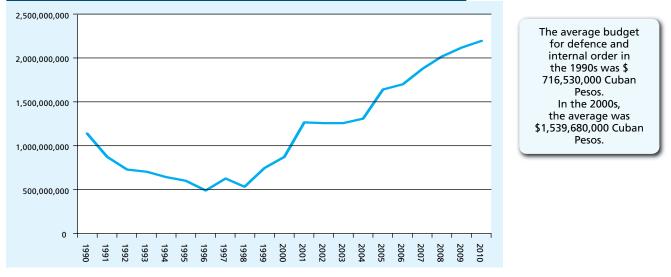
Defence and Internal Order Budget (in %)



Comparative Increase (in %)

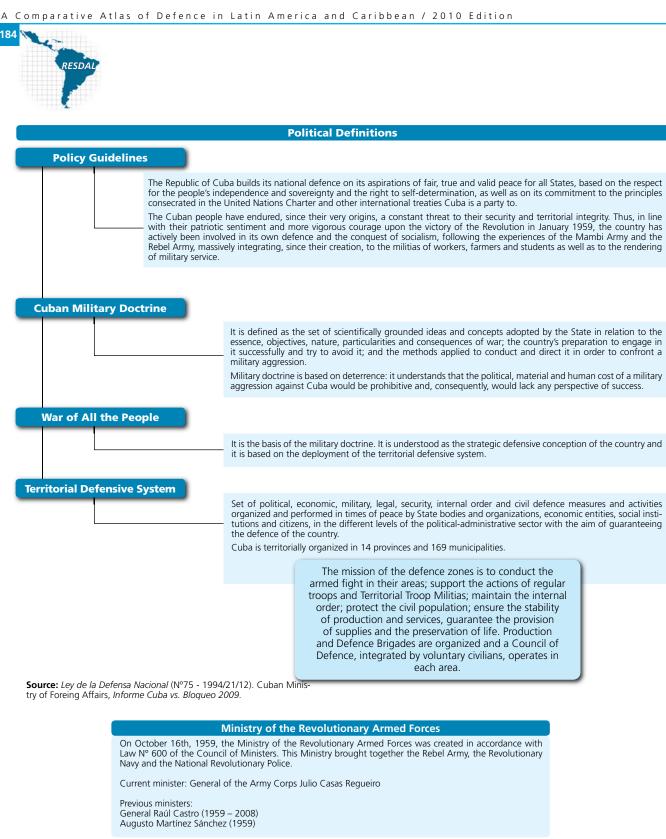


Evolution of the Defence and Internal Order Budget (in Local Currency)



Source: Compilation base on *Anuario Estadístico de Cuba* (annual reports 1995-2009) and *Panorama Económico y Social*. Cuba 2009, National Statistics Office of the Republic of Cuba. The figures correspond to execution of the State budget. 2010: *Ley del presupuesto del Estado*. GDP 2010: Estimation by the Ministry of Economy and Planning. Exchange rate: 1 Cuban Peso (non convertible) = 24 US Dollars.

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Reports Submitted to the United Nations												
1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
×	×	×	×	×	×	×	×	×	×			

Register of Conventional Arms: 🗱 Register of Military Expenditures: 📎

Source: Compilation based on reports submitted to the United Nations Register of Conventional Arms and the United Nations Instrument for Reporting Military Expeditures

Blockade

Cuba considers the embargo imposed by the United States as an act of genocide by virtue of paragraph c, Article II of the 1948 Geneva Convention on the Prevention and Punishment of the Crime of Genocide and as an act of economic war, according to the provisions of the declaration regarding Maritime War adopted by the 1909 London Naval Conference. Cuba will continue to denounce the US policy's extraterritoriality, while demanding strict observance of international law, particularly claiming the people's right to their self-determination and State sovereignty.

Source: Cuban Ministry of Foreign Affairs, Informe Cuba vs. Bloqueo 2009. Granma Newspaper, Informe sobre Bloqueo al 57 período de la Asamblea General de las Naciones Unidas. Declaration of the Government of the Cuban Republic, January 11, 2002.

Guantanamo Bay Naval Base

The U.S. Naval Base in Guantanamo Bay is a facility covering 117.6 square kilometers in Cuba's national territory, occupied since 1903 as the result of an Agreement on Coal refueling and Naval Stations signed by the U.S. and Cuban Governments, based on the enforcement of an amendment approved by the US Congress and signed by President McKinley in March 1901, known as the Platt Amendment.

Platt Amendment (1901)

It entitled the United States to intervene in Cuba, as a condition for US troops' withdrawal from Cuban territory and the independence of the island. In line with this clause, the aforementioned Agreement on Coal Refueling and Naval Stations was signed in February 1903 in Havana and Washington, respectively, and it actually included two areas from Cuban territory: Honda Bay and Guantanamo Bay, although a naval base was never established in the former.

Article II of the Agreement literally stipulated the right of the United States to "do anything necessary for these sites to be in condition to be used exclusively as coal refueling and naval stations and for no other purposes."

In addition to this Agreement signed in February 1903, on May 22 of that same year the Permanent Treaty of Relations between Cuba and the United States was signed, and included the eight (8) clauses of the Platt Amendment literally taken and converted into the articles of the Treaty.

Twenty one years later, on May 29, 1934, in the spirit of the American "Good Neighbour Policy," under the administration of Franklin Delano Roosevelt, a new Treaty of Relations between the Republic of Cuba and the United States of America was sig-

ned, which annulled the 1903 Treaty and thus the Platt Amendment. This new Treaty definitely excluded Honda Bay as a possible base, but maintained the permanence of Guantanamo Naval Base, as well as the regulations governing it.

The supplementary agreement also stipulated that the United States would pay the Cuban Republic for the lease of 117.6 square kilometers — i.e. 11,760 hectares including large part of one of the best bays in the country— the amount of two thousand dollars on an yearly basis, which currently amounts to 4,085 dollars per year, payable in annual checks which Cuba has refused to collect.

The Cuban government's position regarding the legal status of the American Naval Base at Guantanamo is that, being under the legal form of a lease, it does not grant a perpetual right but a temporary one over that part of the territory, for which, in due course, as a fair right of our people, the illegally occupied territory of Guantanamo should be returned by peaceful means to Cuba.

This military enclave is precisely the central place where American and Cuban soldiers find themselves face to face and, therefore, where outmost calmness and sense of responsibility are required.

Cuba has made enormous efforts to implement an especially careful and fair policy.

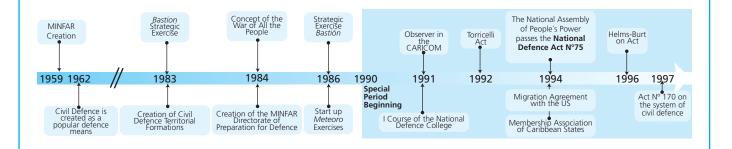
In spite of the considerable increase in military personnel required by the operation, we believe it does not represent a threat of any sort to the country's security. Therefore, we will not increase highly-trained Cuban military personnel or means at the premise perimeter. Such

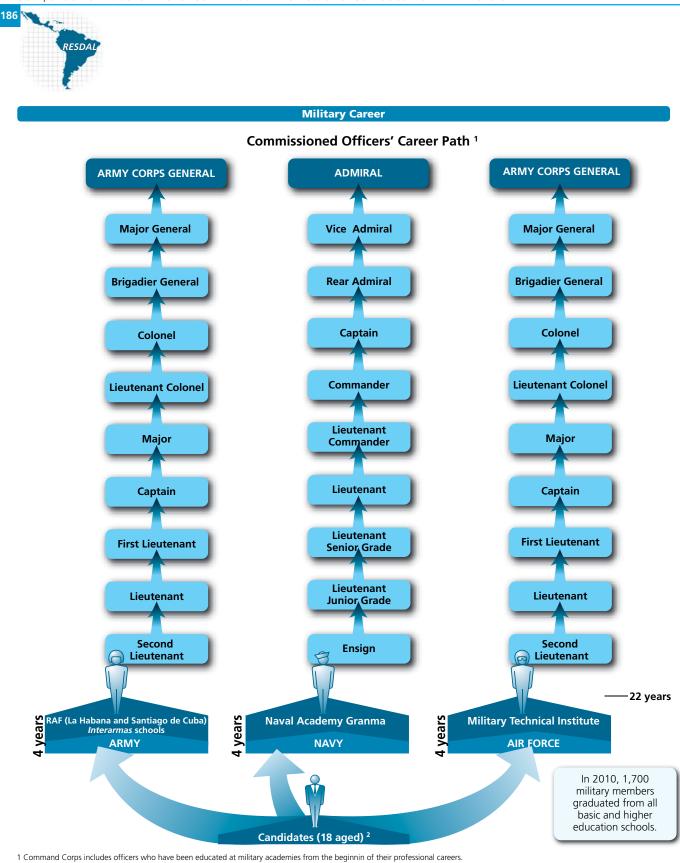
1934 Treaty It revokes the 1903 Coal Treaty thus invalidating the Platt Amendment. It maintains the presence of the Guantanamo Naval Base.

highly qualified personnel are also adequate to ensure people's security in the area against any risk that may arise as a result of the transfer of foreign prisoners to that base.

Cuba will make its best efforts to maintain peace and mutual respect in that site, as it has done in the last few years. A basic principle of the Cuban policy for addressing this potentially dangerous issue between Cuba and the United States, which has persisted over the years, has been to prevent our claim from being a first priority or placing especial focus on this subject, considering the numerous and serious differences existing between both countries, and recognizing that, in recent years, a more calm environment of mutual respect has reigned over the matter.

Source: Declaration of the Government of the Cuban Republic, January 11, 2002. Cuban Ministry of Foreign Affairs, Libro Blanco. Informe Cuba vs. Bloqueo 2009.





2 The age of 18 years have been considered for comparative purposes, but it can vary based on school requirements.

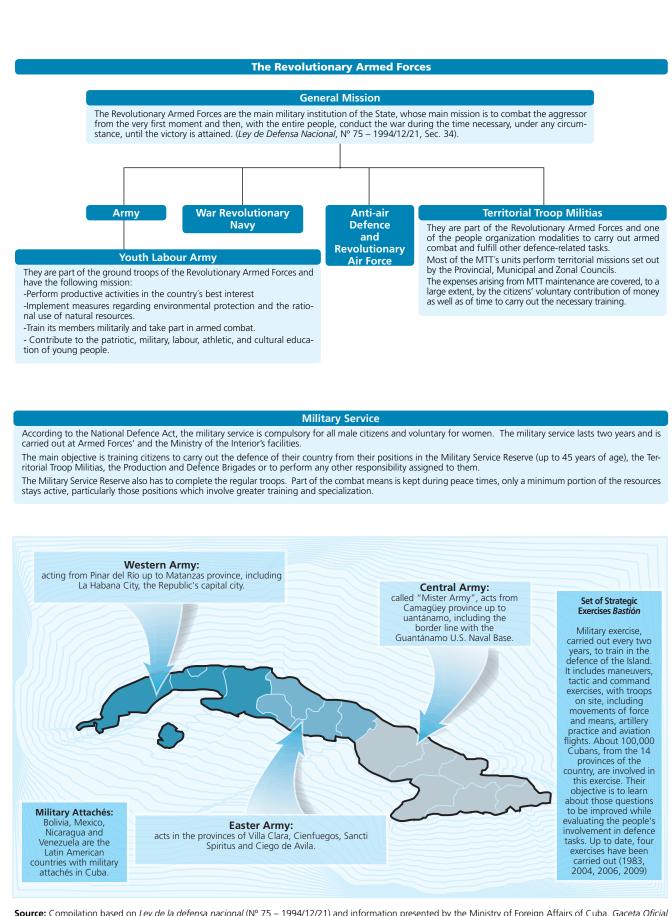
Camilo Cienfuegos Military Schools

Young people of both sexes, who have graduated from secondary school (nine levels), and want to become officers of the Revolutionary Armed Forces (FAR), can enter these military vocational preparatory centres.

Camilo Cienfuegos Military Schools are under the direction of the FAR; there are fourteen of them across the country. Bachelors in science and arts are graduated from these colleges. The graduates are directly admitted to the military instruction centres where FAR soldiers are trained.

Source: Compilation based on Ley de la defensa nacional (N° 75 – 1994/12/21), website of the Ministry of the Revolutionary Armed Forces, Granma Newspaper and Gaceta Oficial de Cuba.





Source: Compilation based on Ley de la defensa nacional (N° 75 – 1994/12/21) and information presented by the Ministry of Foreign Affairs of Cuba, Gaceta Oficial de Cuba and Granma newspaper.



Defence and National and International Community

Fight against Drug Trafficking

Even though Cuba is not an important consumer or producer of illegal drugs, its territorial ports, waters and airspace are susceptible to drug trafficking from the countries of origin. That is the reason why, during the last 10 years, the Cuban Government has been following a policy of anti-drug trafficking operations across the country through awareness campaigns. As part of the Ministry of the Interior structure devoted to fight drug trafficking, the Cuban Government has set up the National Anti-Drug Directorate. Said directorate conducts the Ministerial System of Drug-Fighting, which addresses, in an operative and strategic way, international drug trafficking, its impact on internal trafficking and other associated crimes.

Hacha Operation

It began in 2001 to disrupt air and sea trafficking, recover narcotics, and deny refuge to drug smugglers within Cuban territory and waters; this is done through the Ministry of the Interior, the border Guard Troop and the Ministry of the Revolutionary Armed Forces (War Navy and Air Force). During the operations, the Government uses military helicopters, the border Guard Troop and patrol ships as well.

People's Shield

In effect since 2003, it has the objective of minimizing drug availability in the internal market.

Cooperation with the United States

The United States has an appointed representative of the US Coast Guard (1) in the Section of Interest (2). Said representative acts as the main leader in the anti-narcotic cooperation with the hosting country in specific cases. Cuban authorities give the representative constant access to Cuban-led actions against drug trafficking, including information of crime investigations, with the names of the suspects and the ships involved.

(1) Its main mission is to fight illegal migration.

(2) The United States of America has a Section of Interest in (USINT) in La Habana, which represents the American citizens and the Cuban Government. It operates under the legal protection of the Swiss Government. Section of Interest personnel offer the whole range of consular services to American citizens.

The Armed Forces and the Economy (1)

During the last years, the Revolutionary Armed Forces (FAR) have increased their role in Cuban economy. The need arising during the "special period" and the need to streamline the economy have accelerated this trend towards participation.

Significant elements of the economy are under the control of the Forces or coordinated by military officers who are on duty or retired.

Many of the most dynamic economic sectors - tourism, agricultural products, tobacco, among others- are manaaed by the FAR.

The FARs are present in other main sectors:

Habanos S.A.: exporter and distributor of Cuban tobacco abroad.

Comercio Interior y Mercado Exterior: initially, this company focused on imports and exports. It has expanded to businesses operating in dollars (supermarkets, gas stations, car rentals, travel agencies, real estate and cable and satellite television services).

Industria Cítrica: mixed company held by the Cuban Government, mainly consisting of the Youth Labour Army, and an Israeli company.

Instituto Nacional de la Reserva Estatal (INRE): supervises national strategic reserves in case of emergency pursuant to Section 128 of the national defence Law.

GAESA (Grupo de Administración Empresarial S.A.): assets and currency management mainly.

Unión Agropecuaria Militar: funded in 1990, composed of farms and food production centers. The main example within this economic scheme is the **Military Industrial Union (UIM)**, whose mission is to ensure the repair of armament and the technique applied in FAR ground, air and sea units. The General Repair Base system and other industrial companies have facilities all across the coupting (12) industrian companies facilities throughout the island

Base system and other industrial companies have facilities all across the country (12 industries operating in 16 facilities throughout the island, located in 8 of the 14 provinces - Santiago, Camagüey, Sancti Spiritus, Villa Clara, Cienfuegos, Matanzas, Habana, and La Habana city). It includes large workshops specialized in tanks, artillery, aviation, naval aspects, radio communications, transportation, radars and metallurgic production.

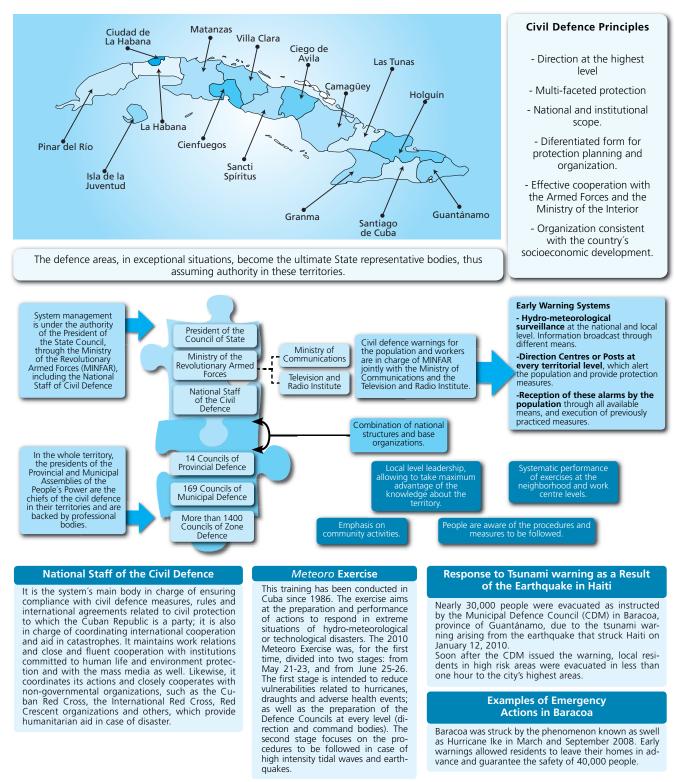
Ma	in other firms with military management				
Aero Gaviota	(airline/tourism).				
Agrotex (agric	ulture).				
Almest (tourisr	n, real estate).				
Antex (technical consultancy).					
Almacen Univ	ersal (free trade zone).				
CIMEX (foreing exchange).					
Complejo Hist	órico – Militar Morro Cabaña (military museum, monuments).				
Cubanacán (tourism).					
División Finar	izas (currency recovery).				
Gaviota S.A. (tourism).				
Geo Cuba (car	tography, real estate, mining interests).				
Sasa S.A. (auto	omobile services and spare parts).				
Sermar (explor	ration in Cuban waters, naval repairs).				
Tecnotex (imp	orts/exports).				

(1)The economic crisis arising in the 1990s has led to constant changes in the role of the Revolutionary Armed Forces in Cuban economy. This section is only a brief summary of such role.

Source: Compilation based on information provided by the websites of the Ministry of Foreign Affairs and of the Revolutionary Armed Forces; Bureau for International Narcotics and Law Enforcement Affairs, International Narcotics Control Strategy Report, march 2010; Cuba Transition Project, Cuba Facts 9; and Juventud Rebelde, april 2010.

Civil Defence

Cuba is conceived "as a system of defensive measures of state nature". Those measures are executed in peace times and in exceptional situations to protect the population and the national economy in the event of natural disasters or other type of contingencies, including those caused by environmental deterioration. The Cuban territory is organized in 14 provinces. Within each province, the conception and practice of the Defence Councils in the defence areas are key in case of disasters. In exceptional situations, in the municipalities, more than 1,400 defence zones are activated; these zones have been the basis of the territorial defence structure since 1984.



Source: Compilation based on Ley del sistema de medidas de defensa civil (N° 170 – 1997/05/08); website of the Ministry of the Revolutionary Armed Forces; National Staff of the Civil Defence, communiqués and Guía para la realización de estudios de riesgo para situaciones de desastres, 2005.



Analisys:

The Armed Forces in the Cuban Transition

Rafael Hernández Political scientist. Director of Temas magazine.

The Revolutionary Armed Forces (RAF) perform strategic activities for national defence, which continues to be a priority after the end of the cold war. However, their roles and focus during the political transition process and Cuban reinsertion in the Hemisphere have changed. In their not-so-new functions as political and administrative officials, Cuban service men have become instrumental to the reforms. However, claiming that they are the masterminds of the political transition would be a mistake.

The military component of Cuban foreign policy has changed since the end of the cold war. The same generals who won the Angola campaigns have implemented the reduction of military means and troops, as well as the assumption of new roles by the RAF. Subject to restrictions and fundamental changes as deep as those undergone by the rest of the society, they have experienced a transformation comparable only to the one occurred when they became professionals in the '60s.

The new roles of the RAF have not been a threat to system stability. On the contrary, the Cuban regime have shown better skills than others in the region to restructure its military officer's agenda --following a long period of intense warfighting outside their territory and amidst tough economic realities-- and to make them not only compatible with but functional to a complex transition that has been transforming the Cuban socialist system itself.

The Military in the Economic, Political and Legal Scenarios of the Transition

In 1989, the trials of high officials of the Ministry of the Revolutionary Armed Forces (MINFAR) and the Ministry of the Homeland¹ (convicted on charges of negotiation with drug trafficking organizations, corruption, abuse of power and fraud), the fall of the Berlin Wall, the dissolution of the Eastern European socialist bloc, the military retreat in Africa and the negotiation of the Central American conflict would open a new stage in Cuba, which was given a name taken from military contingency plans: *the special peace time period*.

In addition to the crisis and disarticulation of the socialist camp, the new international context created by the end of the cold war drove the economic redesign of the defence system. This adjustment, however, can be traced back to the beginning of the '80s when the military relations with the URSS² were redefined and the US threat regained momentum.³ After the economic meltdown and the termination of their missions abroad,

¹ *Causa Uno. Fin de la conexión cubana*, (La Habana: Editorial José Martí, 1989).

² The URSS informed Cuba that it would not extend its defence umbrella over the isle vis-a-vis American threats in 1981-83, except for weapon supply. *Entrevista de Raúl Castro a El Sol de México (II Parte)*, (La Habana: Editorial Capitán San Luis, April 24, 1993).

³ General Alexander Haig's proposal, known as "going to the source" in the Central American conflict. Alexander M. Haig Jr., *Caveat: Reagan, Realism and Foreign Policy,* (New York: Macmillan, 1984).

the RAF were too big and costly. From 1990 on, procurement of weapons, weapon systems and pieces of equipment was greatly reduced. This reduction mainly affected the air force and the navy and emphasized the classical role of the army and the Territorial Troop Militias (TTM) as the core of the defence system.⁴

The RAF have been the object and the subject of transition policies. The 1992 constitutional reform established the National Defence Council, as the supreme political and military body in times of war, made up of the president, the vice president and five State Council members. Provincial, municipal and defence areas were created as well. These and other concepts were subsequently transcribed in the new national defence act. Their current role can only be understood if, in addition to these constitutional issues, their place in Cuban political process is properly analyzed.

Since 1959, the command structures, first emerged from the Rebel Army and then from the Revolutionary Armed Forces, took over the positions from which the country's political and economic conduct was exercised. Their presence in the Cuban Communist Party's Central Committee or the Council of Ministers is not new.5 Its origin has been in the three main organizations opposing the dictatorship in 1958 (Movimiento 26 de Julio, Directorio Revolucionario Estudiantil 13 de Marzo and, to a lesser extent, Partido Socialista Popular -communist), the military structures of which attributed officer ranks to many of their leaders. However, their social and professional background was not military but civilian, and so were their main activities all along the process. Nobody in Cuba would deem them today as military men.

Although the presence of men in uniform within the current CCP's Central Committee is quite smaller than it was in the first one, of 1965, the politician profile of governing members originated from the RAF has become higher since the '90s. Despite the election of Raul Castro, former RAF Minister as President of the Republic, however, it would be wrong to assume that political decision-making in Cuba belongs to the military. Key agencies involved in the new Cuban policy, including those controlling foreign investment, tourism, banking and finance, foreign relations, global economy, most of CCP apparatuses and provincial chiefs' offices are under civilian control, and so are those in charge of justice, culture, education, the National Assembly, trade union, rural, women and juvenile organizations' leaderships.

The two most outstanding features of the new role of the RAF in the economy have been their extension to non traditional industries and their involvement as the laboratory for new forms of economic organization. In addition to agriculture, since the '90s, they have expanded their activities to investment in and construction of strategic-importance buildings, such as those for tourism. As regards the second feature, the RAF's economic experiments have contributed to the debate of ideas among Cuban experts and economists since the late '80s, particularly involving business organization.

Although the background of military men in certain government positions has risen, their roles do not match what has been called the 'soldier entrepreneur' in other countries.⁶ Cuban military have not been awarded exclusive areas or "feuds," nor do they exercise discretional decision making authority over reserved areas of specialization and action. When a high-rank officer is appointed to a civil function, his responsibility and authority cease to respond to the RAF or to specific military interests. Finally, service men do not invest personal assets in private sector undertakings, as nationals' investment in private businesses is illegal in the Isle. On the other hand, public order and protection of life and property are shared with other agencies, including the Defence Committees, the physical protection committees (in charge of the security in every public venue), business and bank protection services, and so on.

The main issue for the RAF in the long run would be to maintain the current balance between their fundamental mission, namely the defence of the nation, and the multiple roles assigned in the political transition. For that purpose, it should require to ensure those roles do not overstep certain limits, so the nature of the military institution is not affected and their social functions and their role within the political system remain unharmed.

⁴ Military expenditures would plunge from 4.2% of the GDP in 1989 to 1.6 % in 1995, which in absolute terms would mean a 4.7-fold reduction in military spending, while the almost 300,000 troops went down to just 70,000. Stockholm International Peace Research Institute, *Cuba - Military Expenditures, Armed Force, GNP, Central Government Expenditure and Population, 1985-1995,* (Stockholm: SIPRI, 1997).

⁵ Some authors point out that this is the expression of Cuban society's militarization. Marta San Martín y Ramón L. Bonachea, "The Military Dimension of the Cuban Revolution", in *Cuban Communism* ed. Irving L. Horowitz, (New Brunswick: Transaction Books, 1972), p. 389.

⁶ Consuelo Cruz and Rut Diamint, "The New Military Autonomy in Latin America", *Journal of Democracy*, Volume 9, Number 4, (October 1998).