

Politics in Cuba

Domestic and International Issues

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What explains the decisions to change economic policies in June 2026?

And how credible does that make the changes?

- 1) Personnel replacement?
- 2) Learning →→Ideational changes?
- 3) External coercion?

Personnel replacement?

All in Pol Bureau	January 2026:	September 2026
President	Díaz-Canel, 11	Díaz-Canel
V Pres	Valdés Mesa, 11	Valdés Mesa
Prim Minister	Marrero, 21	Marrero
Pres Coun State	Lazo, 11	Lazo
Sec Coun Mins	Amado Ricardo, 21	Amado Ricardo
Min FAR	López Miera,11	López Miera
Min Int	Álvarez Casas, 21	Álvarez Casas
Party Org Sec	Morales, 16	Morales
	Raúl Castro	Raúl Castro
	J.R. Machado	J.R. Machado

NB: In 2011, Marrero Tourism Minister, Morales Health Minister, Ricardo same post

1. Same top leadership before & after economic changes in June 2026
2. Mostly same top leadership team since 2011
3. They launched *Lineamientos* in 2010-11
4. They launched economic counterreform in 2015-16
5. They authorized opening in response to July 2021 mass protests
6. They slowed down reforms until 2026
7. No one at the top has been dismissed for blocking economic reforms before June 2026

1) Four Deputy Prime Ministers

Jorge Tapia	Appointed 2019	In Central Committee in 2011
Inés Chapman	Appointed 2019	In Central Committee in 2011
Eduardo Martínez Díaz	Appointed 10/2024	Not in Central Committee PCC
Oscar Pérez-Oliva Fraga	Appointed 10/2025	Not in Central Committee PCC

2) Left Deputy Prime Minister posts

Jorge Luis Perdomo	Ousted 10/2024
Ramiro Valdés	Illness, died June 2026

NB: Martínez, scientist, Biopharma, Chikungunya, Dengue

NB: **Pérez-Oliva only clear reformist appointee; Valdés had blocked reforms**

2) December 2025 personnel changes: **Toledo, net, one loss for reform**

Promote Gen. Roberto Legrá to PB – likely next Min FAR

Replace Supreme Court President – no policy differences

Osnay Colina replaces Ulises Guilarte at CTC – no policy differences

Natl Assembly Secretary: Toledo Santander in, Homero Acosta out : loss for reformers

Key Top Economy Decision Makers/Ministers

Humberto Pérez	Fired
J.L. Rodríguez	Returned to research
Carlos Lage	Fired
Marino Murillo	Fired
Alejandro Gil	Arrested 02/2024, imprisoned 12/2025
Joaquín Alonso	Incumbent 02/2024***
Alonso: Little evidence of Alonso's leadership. Díaz-Canel & Marrero assume responsibility	

Learning, new ideas: How do leaders explain the changes?

PM Marrero's preferred explanation: **sustained implementation** of reforms since 2011, undermined by new US sanctions in 2019 and 2025 (06/18/26)

Pres. Díaz-Canel: **process learning**: listening to Cuban economists starting June 2025; invited some nonofficial economists' views; widespread public consultation 2026; policy discussions in Party Congresses since 2011; analysis of China and Vietnam experiences; artificial intelligence (06/17/22)

Díaz-Canel: **process obstacles**: bureaucratic resistance; legal & regulatory complexity; top elite decision deferral (06/17/26)

Díaz-Canel: **empirical observations**: price caps did not control inflation, nurtured illegalities

Díaz-Canel: **deeper reflection, regrets**: should have made changes sooner (06/18/26)

Limitations: at approval and months following

1. Dozens of **prohibitions on private** sector activities will remain (Marrero 07/29/26)
2. Price setting and price controls “decentralized to all economic actors”: firms, but also **municipal price caps** (Marrero 07/29/26)
3. **State enterprises** “will remain the economy’s fundamental pillar” (Díaz-Canel 06/17/26)
4. **“Fundamental means of production” will remain state property** (Toledo Santander 06/17/26)
5. **Price controls** and state economic subsidies **had been “rational”** in the past (Díaz-Canel 06/17/26)
6. **Backlash**, Díaz-Canel reporting what he has heard (07/30/26): opposition to growth of “private capital” and of individual wealth “concentration”; fears of privatizing state enterprises; deepening inequalities; end of consumer subsidies; role of the market; adverse “ideological impact” as capitalist relations develop

External coercion

“I want to say this clearly: this decision responds to a specific need, given the time and circumstances that the country faces” (Díaz-Canel 06/18/26)

The roads not taken

- In response to 2019 sanctions and July 2021 protests, these reforms would have been a logical continuation
- In response to economic plunge from Covid-19 impact, these reforms would have been timely
- In response to persistent economic sluggishness in 2020s, these reforms seemed already overdue
- In response the rising poverty rates, mountains of uncollected trash, and endless electric power blackouts, all before Trump’s inauguration, these reforms clearly overdue
- In response to January 2026 US oil blockade, these reforms were urgent

*The leadership seems to have waited until it felt **Ouch***

Conclusion: Explaining the decision to enact economic policy changes

- 1) Personnel replacement hardly occurred, thus explains little
- 2) There seems to have been serious learning
- 3) From the outset, remaining limitations may impede flowering of reforms
- 4) Localized reversals (municipal price caps) already occur
- 5) Bureaucratic resistance had slowed down Raúl Castro's early economic reforms
- 6) External coercion accelerated learning and detonated the reforms

CHALLENGE: Same top leadership & only partial learning: Do reforms depend on continuing external coercion? Without it, are they credible?

Throwing out the Baby with the Bath Water?

- US strategy: deliberate Cuban immiseration triggered economic reforms
- Immiseration has indeed caused the misery of millions of innocent people
- Targeting them, in my strong view, is wrong
- *Cast aside my views*
- Practical risk of persisting US strategy of immiseration is to prevent the success of any reforms that this or any future Cuban government: excessive destruction already
- Ruining Cuba further may be contrary to US interests for a future stable Cuba →→inherently counterproductive
- Implementing the reforms many at this ASCE conference advocate may become nearly impossible