

Cuba Faces a Sunset of Its Socialist Revolution



A vintage car stopped at an intersection amid a partial collapse of the electrical grid in Havana, Cuba December 3, 2025. (Norlys Perez/Reuters)

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Postwar Vietnam is a good model for how a nation can emerge from collectivist tyranny.

FACED with a tightening U.S. oil blockade and the consequences of its 67 years of suffocating state planning, Cuba’s economy is shutting down. The island is rationing fuel, going to a four-day workweek, imposing blackouts, and ending refueling for international airlines.

The crisis is “an opportunity and a challenge that we have no doubt we will overcome,” says the island’s deputy prime minister, Oscar Pérez-Oliva Fraga, the grandnephew of Fidel and Raúl Castro. “We are not going to collapse.” Ludicrously, Fraga’s colleagues talk about accelerating a transition to renewable energy sources.

Watching Cuba’s aged leaders (at 94, Raúl still exercises a veto power over policy) refuse to alter a discredited revolutionary model of socialism is painful. It’s like watching someone claim that because they watched *Grey’s Anatomy*, they know how to operate on a patient.

Michael Bustamante, the chairman of the Cuban and Cuban-American Studies Department at the University of Miami, says Havana has “missed every opportunity” to improve the economy and alleviate the suffering of its 10 million people. Public order is collapsing. Ruaridh Nicoll, a Cuban novelist who lives in Havana, wrote last week in Britain’s left-wing *Guardian*

newspaper: “Children who would once have had to answer to the police if seen on the streets in school hours now use the time to beg.”

It doesn't have to be this way.

There are two models for a transition from socialism to a market economy. The first model is represented by Poland, where in 1989 and 1990 the political and economic system of socialism collapsed and was replaced by a market-based and democratic society. Poland has since become Europe's growth champion, outstripping nations such as Germany, France, and Great Britain.

That model is currently inconceivable for Cuba's dictators. But there is a more realistic one.

Vietnam, a nation of 100 million people, began market-oriented reforms in the late 1980s as communism collapsed in Europe. But the political system of one-party rule remained in place.

When Vietnam adopted its “Doi Moi” (“Renewal”) policies, it was the poorest country in the world, with a per capita GDP of \$98, behind that of Somalia. Like Cuba today, it was at ground zero with its economy. During the Vietnam War, which ended in 1975, it was hit by up to 15 million tons of bombs — ten times as many as had been dropped on Germany in the Second World War — and had millions of orphans and war invalids to feed.

As late as 1993, 80 percent of the Vietnamese lived in poverty. By 2006, the rate had fallen to 51 percent. Today it's only 3 percent.

Vietnam is now one of the most dynamic countries in the world, with a vibrant economy that creates great opportunities for hardworking people and entrepreneurs. Once a country that, before the market reforms began, was unable to produce enough rice to feed its own population, it has now become one of the world's largest rice exporters — and also a major electronics exporter as firms pivot away from making their products in China.

If one looks at the Heritage Foundation's Index of Economic Freedom, Vietnam has gained more points than any other country of comparable size. Further, while Vietnam was able to increase its score by 24 points from 1995 to 2024, the United States lost 6 points over the same period. Vietnam officially calls itself socialist, but its current economic-freedom rating of 65 is a score higher than Asian and world averages.

No one suggests that Vietnam is a free country. The media is state-controlled, and there are no free elections. State-owned companies generate as much as 20 percent of GDP, and they operate on highly preferential terms.

But there is no attempt to impose socialist thinking. Even government academics justify inequality and explain that it's not the same as injustice. People accept inequality because they have had their own negative experiences of living in a society that proclaimed everyone to be equal.

Public-opinion polls bear this out. From 2021 to 2023, the polling institute Ipsos MORI conducted a survey in 35 countries to find out what people in different countries feel about capitalism. In most countries, negative attitudes toward capitalism dominated. In Vietnam, by contrast, people associated “capitalism” with positive features, such as “progress” (81 percent), “innovation” (80 percent), “a wide range of goods” (77 percent), “prosperity” (74 percent), and “freedom” (71 percent).

Despite Vietnam's economic success, Cuba's geriatric leaders clearly suspect that they would not be able to duplicate the success of Vietnamese leaders in continuing a one-party socialist state. They clearly lack self-confidence in their abilities or a willingness to take risks.

The problem is that Secretary of State Marco Rubio, a son of Cuban exiles in Miami, has made it clear that Cuba must grant both more economic and political freedom if it wants relief from Washington's ever-tightening pressure.

He told Bloomberg News at last week's Munich Security Forum that Cuban leaders "don't know how to improve the everyday life of their people without giving up power over sectors that they control." He went on to note that the series of tentative steps Cuba has occasionally taken to encourage "never ends up working." That's because "the Cuban regime has no fundamental understanding of what business and industry look like, and the people are suffering as a result of it.

So for now, there's a stalemate. The U.S. and its allies will send just enough humanitarian aid to prevent starvation and a chaotic exit of people from the country. It hopes that the fuel shortage will force Cuba to undertake real reforms.

In response, Cuban officials say they are open to a dialogue on improving relations, but any discussion of changing their one-party communist system is off the table. But even leftist scholars who've written with admiration about how Cuba's revolution has survived a U.S. embargo imposed by President John F. Kennedy in 1962 are privately convinced the current crisis is different.

In 1989, East German leader Erich Honecker told visiting Soviet leader Mikhail Gorbachev that his regime would resist reform. Gorbachev later recalled: "I was horrified. I talked with him for three hours. . . . And he kept on wanting to convince me about the wonderful achievements of [East Germany]." Then Gorbachev spoke to Honecker's Politburo and warned them: "If we lag behind, life will punish us straight away."

The Berlin Wall fell the next month.

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