

CUBA'S INITIAL ATTEMPT AT DEMOCRACY, 1790-1820: ITS LONG-TERM CONSEQUENCES

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Abstract

Why did Cuba fail to become independent early in the nineteenth century, at the same time as most countries in Latin America? We will argue that economic and political incentives led the same segments of society that fought for independence elsewhere to prefer remaining a colony in Cuba. We show that economic conditions, slavery and a special relation with Spain TOGETHER led to the delay of independence. Perhaps more importantly, slavery and its consequences substantially diminished possibilities of democratic evolution. They created an unresolved cleavage between the political rights and civil liberties of various groups that undermined the legitimacy of all subsequent political systems.

Key Words: democracy, independence, special relation, slavery, economic conditions, early 19th century Cuba.

JEL CODE: N16; N36; N46; O54; P16.

Introduction

Most Latin American countries became independent from Spain at the beginning of the 19th century. This happened through declarations of independence for areas similar but not identical to current geographical arrangements or for larger territories, comprising several current countries that later separated into the countries we know today. Instances of the latter are the Federal Republic of Central America (1821) [Costa Rica, El Salvador, Guatemala, Honduras and Nicaragua] and The Republic of Gran Colombia (1821) [Colombia, Ecuador, Panama, Venezuela]. Instances of the former are Haiti (1804); Bolivia (1825); Brazil (1822); Chile (1818); Mexico (1810); Paraguay (1811); Peru (1821); Uruguay (1825).

Yet, Cuba did not manage to become independent until 1902 although its declaration of independence can be placed as early as October 10 1868. This date marks the start of the first war for independence (Ten Years War) and the event itself is associated with the abolition of slavery. On this date the liberation of his slaves by Carlos Manuel de Céspedes is one of the first acts at “La Demajagua” sugar mill upon declaring independence.

While this association between independence and the abolition of slavery may have been one reason for the difference in the timing of independence between Cuba and other Latin American countries, it is somewhat inconsistent with the events of the time as a primary or sole explanation. Most if not all of the countries that became independent in the first quarter of the 19th century did not abolish slavery until later, sometimes much later. In several the lag was short, less than ten years, e.g., Federal Republic of Central America (1824), Chile (1823), and Bolivia (1831). In others, however, the lag was much

longer, e.g., for example Uruguay (1842), Colombia (1851), Venezuela (1853), and Brazil (1888). Of course, a similar long lag applies to the United States where independence from Britain takes place in 1776 and slavery is abolished in 1863.

Along the same lines, simple economic explanations for the differential timing of Cuba's independence do not fare too well when confronted with the facts if one views independence as a normal good, i.e., one for which the demand rises with income. If we consider the economic circumstances at the time of Latin American independence movements, let us say the first quarter of the 19th century, we find that Cuba was economically advanced relative to the other colonies and even to the United States. For instance, there are estimates for Cuba's per capita income in 1800 of 112% relative to the US and higher than any other Latin American country (Coatsworth ,1998: Table 1.1). For example at that time Argentina, the next highest country in the same source, was estimated to have a per capita income of 102 % relative to the US. Incidentally, Argentina gained its independence in 1816 and abolished slavery in 1853.

A third popular explanation for Cuba's differential timing in attaining independence was the [special relation] between Cuba and Spain. One interpretation of Cuban history put forth from a Spanish /European point of view, according to the author, and consistent with this view is provided by Montaner (2006). He identifies three groups of protagonists among the Cuban *criollo* class throughout the 19th century and labels them *autonomistas*, *anexionistas*, and *independentistas*.

The *autonomistas* are described by him as reform minded individuals seeking greater autonomy for local decision making while pledging allegiance to the Spanish Crown. The *anexionistas* are described by him as individuals convinced that Cuba's

interests were better served within the American Union. Finally, he describes the *independentistas* as individuals committed to the creation of a republic similar to the ones conceived by Bolivar for Latin America.

A broader characterization of the *autonomistas* is as individuals committed to the view that Cuba and Spain had a special relation that called for a different type of arrangement than either a typical subjugated colony or a fully independent state. The role of these individuals between 1790 and 1820 in Cuba is the basis of this third explanation for the differential timing of Cuba's independence. A narrower less complimentary characterization of the *autonomistas* during this period is as the plantation or sugar oligarchy, i.e., the *plantocracia* or the *sacarocracia* (Moreno Fragnals, 1995: p.146). This narrower view provides a simple version of this third explanation: Namely, the plantation or sugar oligarchy prevented independence. Finally, a more nuanced view of the *autonomistas* (suggested by Carlos Quijano in private correspondence) notes their evolution from espousing local or provincial self-government during this period to espousing self-government for the whole island as part of the Spanish nation immediately afterwards to full independence in the 1870s.

In order to understand the *autonomistas* views as well as in assessing the role of economic considerations and slavery on independence and democracy, it is useful to be clear on what we mean by democracy. A recent paper (Betancourt, 2011) argues that it is currently conceived in terms of three dimensions: political rights, civil liberties and legitimacy and that these dimensions interact with each other. It also argues that legitimacy, in particular, is quite sensitive to context in terms of time and place. Thus, it is desirable to explore what these concepts meant at the beginning of the 19th century.

For, they would have affected the interplay between these three explanations for the differential timing of Cuban independence as well as the long-run consequences for the evolution of democracy.

Our aim is to enhance understanding of two issues in this brief essay. First, what were the factors that determined Cuba's failure to become independent at the beginning of the nineteenth century? Second, what was the relation of these factors to the process of democratization in Cuba at the time and its subsequent evolution? In order to do so we will proceed in the following manner. In the first section a framework developed for the analysis of modern democracies is adapted to the circumstances of the early 19th century. Subsequently, an overview of our basic argument is presented. It provides a comparative perspective on the unusual coming together of economic and political incentives to remain a colony at this time. The following three sections use the framework of the first one to provide the details underlying the argument in the second one. We consider the special relation with Spain in section 3, the role of slavery in section 4 and the economic conditions of the time in section 5. A brief conclusion discusses the consequences of the choices made during this period for the subsequent evolution of democracy in Cuba.

1. Democracy's Dimensions in the Early 19th Century

It is common place now-a-day to conceive of democracy in terms of the dimension of political rights. The latter usually include the holding of free or fair elections, constraints on the arbitrary power of the executive, and the extent and competitiveness of participation in the political process as well as the degree of accountability and transparency of policies. Indeed, there are different indexes designed

to measure this dimension of democracy e.g., the Freedom House Political Rights Index, or the Polity IV Constraints on the Executive measure.

Similarly, it is also fairly common now-a-day to view civil liberties as an integral or defining dimension of democracy. Originally, they included individual rights guaranteed in most countries constitutions, for example freedom of speech and freedom of assembly, and more generally some form of rule of law protection for individuals. Today, these liberties also encompass the protection of individuals' rights to improve their well being through their ownership of property, their mobility with respect to location, housing, education and employment as well as social freedoms, for example marrying whom you want. Just as in the case of political rights there are different indexes designed to measure this dimension, e.g., the Freedom House Civil Liberties Index, or selected aspects of this dimension, the Economic Freedom Index put out by the Fraser Institute.

Less common place is associating the notion of democracy with legitimacy. To prevent confusion, let's note that by legitimacy I mean the willingness of the governed to accept the right of those who govern them to do so. Furthermore, just as most basic institutional concepts it has two aspects: a *de jure* aspect and a *de facto* aspect. Thus, democracy is by definition legitimate from the *de jure* point of view when power is attained through an electoral process perceived as free and fair. Yet, even if this condition is satisfied it can lose its *de facto* legitimacy due to the performance of the elected officials. For instance, if elected officials engage in rampant corruption, violations of fundamental rights or failure to provide basic public goods that a society has come to expect (law and order for example), a democratic government can easily become

illegitimate from the *de facto* point of view. While this may seem far fetched in stable, democratic developed countries, it is far more likely in less stable democracies in developing countries.

Since legitimacy is a far more controversial dimension of democracy than the other two, some further comments are helpful. It is used regularly and without explanation in political science as well as in the popular press. It is avoided and shun in modern economics, perhaps due to its context dependence. Its influence in political science stems from a seminal paper by Lipset (1959) who introduces the concept as one of the main determinants of the stability of political regimes. He argued that it affected their capacity to survive crises of effectiveness in performing the basic functions of governments. In his view legitimacy was itself determined by different resolutions of historical cleavages that affect all societies. These cleavages affected the legitimacy of democracies very directly because the different resolutions of these conflicts could strengthen or weaken democracy.

In projecting these concepts back to the New World at the beginning of the 19th century, we have to consider how these dimensions would have been viewed at the time by those involved. For this task it is useful to start by thinking of democracy as a process and of a regime as democratic (Tilly, 2007: p. 14) “...to the degree that political relations between the state and its citizens feature broad, equal, protected and mutually binding consultations.” An additional category in describing a regime is noted by Tilly, i.e., the state’s capacity to enforce its political decisions. These five categories are only partly independent. They also map into the three modern dimensions identified above. Their usefulness lies in two factors: often it is easier to relate them directly to the conditions

prevailing at the beginning of the 19th century and to characterize their evolution as indicating movements toward democratization or de-democratization.

Breadth relates to the extent of citizenship rights enjoyed by households in a society. Equality refers to the differences in rights enjoyed by different groups in a society as well as within these groups. Breadth and equality correspond most closely to what we have called political rights. Protection refers to protection against arbitrary action by the state. Mutually binding consultation implies a well defined set of rights and obligations for both agents of the state and categories of citizens. Protection and mutually binding consultation correspond most closely to what we have called civil liberties. Legitimacy includes the state's capacity to enforce its political decisions with respect to these categories but also the extent to which the degree of breadth, equality, protection and mutually binding consultation in a regime is consistent with the expectations of the population on these matters.

2. Economic and Political Incentives to Remain a Colony

Not only did Cuba have a higher per capita income than any other country in the America's in 1800, this had been accomplished as a result of a process in which sugar was becoming dominant as a generator of wealth in the island. A prominent factor in the acceleration of this process in Cuba was Haiti's struggle for independence, begun in 1791, and its consequent demise as a major sugar producer. Moreover the benefits of this demise were substantially increased by the success of the Industrial Revolution in making sugar a mass consumption item rather than just a luxury good, which increased demand, and the disruptions created by the Napoleonic Wars, which interrupted supplies.

If one puts together the figures on the average annual rates of growth of the quantity of Cuban sugar exports during the 1790-1820 period with the ones associated with the sensational rise in sugar prices during this period, both of which are presented in section 5, one gets an estimated annual rate of growth for sugar revenues of 11% per year. This rate of growth compares favorably with China's recent annual growth rate over thirty years. To put this growth in further perspective, Findlay and O'Rourke's (2007, Ch.6) discussion of growth during the industrial revolution, which is taking place at the same time, indicates an annual rate of growth in British export revenues between 1794-96 and 1824-26 of about 1.6% (Table 6.2, p.314) and estimated growth rates overall that are not much higher.

Economic conditions in Cuba were historically unique in their attractiveness by the standards of the time and highly attractive even by modern standards. This factor alone makes the potential costs associated with a war of independence for Cuba much higher than for the other Latin American countries that became independent at the time. Furthermore, as we show in section 5, the Spanish colonial system of taxation in 1800 discriminated, presumably unwittingly, in favor of export economies, which were taxed very lightly compared to the ones having substantial population bases. For instance, the figures presented in section 5 imply that in 1800 Cuba had 8.325 dollars of export revenues for every tax dollar paid compared to Mexico's one dollar! This light taxation of its major revenue source was another incentive to remain a colony.

Slavery had existed in Cuba for centuries but its nature changed dramatically during this 30 year period. The population figures in Table 1 of section 4 show that by 1775 free non-whites (freed slaves and their descendants) were 18% of Cuba's population

and slaves 25.8%. This table also shows, however, that the annual rate of growth of the free non-white population subgroup went from 3.4% in the 1775 -1792 period to -6.8% in the 1817-1827 period. The rates of growth for Cuba's total population in these two periods were 2.6% and 2.5%, respectively. The annual rates of growth for whites increased (from 1.8% to 2.6%) while slaves experienced the highest growth rates in both periods (3.7%). These were dramatic changes that inverted Cuba's racial composition from a majority white population in 1775 (56.2%) to a majority non-white population in 1827 (55.8%) of which 15.1% were free non-whites and the rest were slaves.

These dramatic demographic changes were, of course, not unrelated to the economic incentives discussed above. The wealth created by sugar provided economic incentives for natural increases in population growth of the Malthusian variety as well as for the importation of slaves to be used in sugar production. Slaves had been increasing in their role as the main form of labor in sugar plantations in the second half of the 18th century as shown in section 4. For instance, the average number of slaves in a Cuban sugar plantation increased from 18 in 1750 to 68 in 1780. But, the increased use of slave labor in sugar production as well as in other tropical commodities, for example cotton and coffee, in the latter part of the 18th century and early part of the 19th century is viewed by a strand of historical literature as part of a broader, more intense process that has been labeled 'the second slavery', e.g., Tomich and Zeuske (2008).

This strand of literature views the increased reliance on slavery in the Atlantic World and the U.S. South until about 1820, when it becomes the dominant form of operation, as driven by two factors associated with the Industrial Revolution, Kaye (2009, pp.627-628). The first driver was "... increased demand from industrial workers", which

was also mentioned above as one of the drivers in the increased profitability of sugar production. The second factor was the integration of the use of industrial machines with slave labor, which led to new techniques and increased scale of operations such that “...the second slavery was, in a word, modern.” Sugar cultivation in Cuba was a major participant in this process. This participation led to a dramatic change in the Cuban plantation system. For instance, we show in section 4 that the number of female slaves in Cuba decreased by 15,000 between 1792 and 1817 while the total number of slaves increased by 59,000! The annual rate of population growth of free nonwhites goes down to 2.9% between 1792 and 1817 from its 3.4% rate of the previous 17 years and on its way to the substantial negative ones of the following ten years.

Females were not suited to the new organization of sugar production due to its 16 hour days of operation. Slaves were an increasingly valuable input in the operation of the system. The data in section 4 shows that the price of an imported slave in Cuba increased by 87.5% between 1792 and 1817. Freeing them or having them purchase their freedom becomes more expensive. In sum, the economic incentives to preserve slavery and to lower its costs to slave buyers by allowing their importation as cheaply as possible were powerful. Thus, the role of slavery in sugar production provides additional economic incentives to remain a colony for those who thought that independence may increase the probability of the abolition of slavery or the suppression of the slave trade.

Among the reasons for the development of a special relation between Cuba and Spain was the weakness of the Spanish Crown signaled by the British occupation of Havana in 1762 and by the invasion of Spain by Napoleon in 1808. One factor that buttressed this process in between these two events was the coincidence of interests

between some Cubans and some Spaniards aroused by enlightenment ideas. For instance, Gaspar Melchor de Jovellanos in Spain and Arango y Parreño in Cuba shared the liberal ideas of the time (Tomich 2003). The latter plays a very significant role in the emergence of the *autonomista* movement in Cuba. For instance, as noted in section 3, he is the Cuban founder of a well known Enlightenment type of civil society organization in 1787.

One of the consequences of the special relation between Cuba and Spain was that substantial segments of the population were enjoying some of the benefits of democracy as it would have worked in the early 19th century under the Spanish colonial regime. We show in the next section that a broad cross-section of whites, including sugar and coffee planters as well as tobacco producers, and free non-whites enjoyed a process of democratization that culminates in the 1815-1820 period. This process led to an increase in the civil liberties associated with codifying protection and mutually binding consultation against the arbitrary power of the state. On the other hand, this same period is one of de-democratization for the slaves who experienced a substantial loss of these same civil liberties as well as the political rights associated with the ability of acquiring whatever citizenship rights were available to free non-whites, since it becomes much more difficult for slaves to purchase their freedom.

With respect to the special relation and what it meant in terms of the political incentives to remain a colony, a particular incident associated with the *Cortes de Cádiz* (1810-1812) shows the role of the *autonomistas* and the effect of this democratization on the incentives to remain a colony. Arango y Parreño is one of three Cuban delegates to this constitutional convention. There, he presents a rather convoluted argument opposing the abolition of the slave trade. It supports the ‘political liberties’ gained through limits in

a constitutional monarchy while downplaying the civil and political liberties lost through the maintenance of slavery, which at least he has the dubious honesty of referring to as sores and vices “...llagas y vicios de las partes remotas de nuestro cuerpo social...” (Moreno Fraginals, p.162). Cuba’s position won the day despite opposition by the representatives of every other Latin American colony present.

Summing up the political incentives afforded Cuba’s *criollo* class by the democratization associated with the special relation, the powerful economic incentives of the sugar boom, and the potential damage to both of these incentives of an independence movement abolishing slavery and/or the slave trade TOGETHER led to a fateful choice where Cuba did not pursue independence and remained a colony. This path was not viewed as legitimate, as we show in the next section, even by all white members of Cuban society. Not surprisingly, slaves expressed their views on the legitimacy of the system through several unsuccessful uprisings. One of the best organized efforts was led by a free non-white.

Ironically, the window of opportunity for Cuba’s independence seems to have closed rather quickly after 1820. A brief period during 1820-1823, called “El Trienio”, led to a second *Cortes de Cádiz* with Cuban representation. One of the Cuban deputies, Félix Varela, even advocated the abolition of slavery. This brief democratization episode came to a halt with the return of absolutism in Spain in 1823. Varela went into exile in the US, and the island experienced the beginning of an increasingly repressive dictatorship as a colony for the next several decades (Thomas, 1971: pp.103-105).

The international environment cemented this process and Cuba’s status as a colony (Opatrný, 2009: pp.239-241). For example, the US issued the Monroe doctrine in

1823; its author, John Quincy Adams, spoke of a Cuba policy in gravitational terms of eventual attraction to the US. Britain began its own special relation with the US by agreeing to the doctrine and not challenging Spain's right to its remaining colonies. Even Bolívar was willing to settle for Cuba and Puerto Rico in the hands of Spain as long as it recognized Colombia and accepted peace. Varela rejected Cuba's annexation to Colombia or Mexico from his US exile.

Some readers may be wondering about Puerto Rico's situation during this period. This island was subject to similar economic incentives with respect to the sugar boom as Cuba, but the response in terms of a sugar export expansion process in Puerto Rico was different. It started much later than in Cuba. In the period prior to 1790 Puerto Rico had a diversified agriculture where sugar played a very limited role compared to its role in Cuba. For instance, we show in section 5 that by 1760-64 Cuba was already producing 5,300 tons of sugar. By the late 1810's and with all the incentives of this period, Puerto Rico was producing 2,000 tons (Klein 1986, p.104). While sugar expansion accelerated quite rapidly in the 1820's, it never became as dominant a part of the economy as in Cuba. Among other reasons, Puerto Rico's smaller size (1/11 in land area) and more mountainous topography limited the potential for expansion.

3. Cuba's Special Relation with Spain

Many factors affect the development of this relationship, ranging from location and geography to historical circumstances in Cuba and the rest of the world. But the main elements are not the subject of much dispute. Cuba's location at the entrance of the Caribbean and its easily accessible natural harbors had made it a critical entry and exit point for Spain's military and commercial relations with the New World. A key event in

this development was the occupation of Havana by the British in 1762. For a variety of reasons after Havana's return to the Spaniards in 1763, there were a number of changes in Cuba's interactions with Spain in the commercial and military realm that were either not experienced by other colonies to the same extent or introduced later (Piqueras Arenas, 2009: pp.273-277).

For instance, island residents were encouraged to form their own local military units. Of course, they had to pay for their maintenance locally as well. In Cuba's case this led to a local army of 7,500 soldiers (Moreno Friginals, 1995: p. 138) that could supplement and be integrated with the Spanish troops from the peninsula in maintaining the empire. In exchange Cuba could engage in free commerce with several Spanish ports as well as with the 13 colonies.

Influenced by the American Revolution, English economic ideas on free commerce and similar organizations generated by the Enlightenment in Spain, the leading *autonomista* of the period, Francisco Arango y Parreño, founds the *Sociedad Económica Patriótica de Amigos del País* in 1787 (Montaner, 2006). This organization was devoted to the promotion of ideas and knowledge that would improve agricultural and industrial production, promote trade and education of elites and masses as well as the printing press and policies that would improve efficiency of government.

While the American Revolution stress on civil liberties and the rule of law (at least for some privileged members of society) must have been attractive to *autonomistas*, since many of them belonged to the Cuban elite and were property owners, the French Revolution must have been more of a mixed bag from their point of view. Liberty, equality and fraternity might have sounded attractive intellectually to some of them in

1789, but the successful armed struggle in Haiti, culminating in independence in 1804, must have been a sobering episode. The latter had dramatic negative consequences for the welfare of the white minority population of Haiti as well as for many nonwhites that had adopted French ways.

Some of the *autonomistas* were coffee planters (Moreno Friginals, 1995: p.146). Many coffee planters that survived Haiti's independence struggle migrated to Cuba's eastern provinces with their tales of horrors (Montaner, 2006: p.62). While Cuba's black and slave population at the time was a much smaller proportion of the total than Haiti's, which was well over 90% (Thomas, 1971: p.75), it was still substantial as we shall see below (Table 1). The Haitian example must have generated much uncertainty about what independence could bring to Cuba. Thus, it would have increased the enthusiasm for the special relation in many individuals, including some for whom independence may have seemed an attractive alternative otherwise. The special relation and continued association with Spain embedded in the *autonomistas* position would have provided a less uncertain alternative than full independence for many individuals.

An important factor in the development of this special relation after the occupation of Havana by the British was the weakness of Spain's monarchy in terms of resources for financing the protection of the empire and its obvious vulnerability at least with respect to Cuba. A similar situation of weakness on the part of Spain as a colonial power at the beginning of the 19th century led to the development of further links in this special relation as well as to the successful struggle for independence in many of the other colonies.

Napoleon invades Spain in 1808. The invasion creates strange bedfellows in defense of the Spanish monarchy as well as attempts to get rid of it altogether by some of the colonies. Some defenders supported the Spanish monarchy as it had been. It was the French they objected to. Others were influenced by the ideas of the French Revolution and supported a modified Spanish monarchy: Namely, one constitutionally constrained to prevent the abuses of absolutism. Others, including many in the colonies, preferred doing away with the monarchy altogether. This invasion generates a period of instability in Spain and its relation to the colonies that ends in 1824 with Spain's conclusive defeat in the New World (Montaner, 2006).

One particular episode during this period highlights the special relation between Cuba and Spain, *las Cortes de Cádiz*. This was a constitutional convention in Cádiz, Spain, that began in 1810. It aimed to circumscribe the power of the monarchy and guarantee individual rights. Representatives from the colonies were invited and Cuba had three. A constitution was finally adopted in 1812. A proposal to abolish the slave trade was considered and rejected due to the opposition of the Cuban representatives. This proposal was controversial with broad participation by others for and against the Cuban position. On the positive side, for example, the highest Spanish authority in Cuba, Captain General Someruelos, wrote a letter in support of the Cuban position, highlighting Cuba's tranquility and economic contribution to Spain (Piqueras Arenas, 2009: p.280). On the negative side, for example, all other representatives from the colonies opposed the Cuban position and supported the proposal for abolition of the slave trade (Moreno Friginals, 1995: p. 161).

Not every one in Cuba was attracted to this special relationship after 1808. At least two exceptions are labeled ‘stellar moments in Cuba’s history’ (Martínez Paula, 2007: pp 77-78). The first one is an attempt at independence in 1809 by Román de la Luz Silvera, a wealthy member of the Havana oligarchy, who sponsored the writing of a Cuban constitution by the lawyer Joaquín Infante. This constitution was to be the basis for an independent state that accepted slavery ‘as long as it was necessary’. The sponsor was condemned to ten years in prison and permanent expatriation and the lawyer escaped to Venezuela. The second one was a set of attempts by Cuba’s black population toward insurrection around 1811. Initial attempts occurred at individual sugar mills but without co-ordination or well organized leadership. In this context Jose Antonio Aponte, a free black man from Havana, emerges as a leader and organizes uprisings in various places. These uprisings were suppressed mercilessly and Aponte was hung in April of 1812.

Another alternative that emerges formally at this time is annexation to the United States through purchase proposals. President Jefferson sent an emissary to Someruelos in 1809 proposing purchasing Cuba if Spain could not maintain herself there (Thomas, 1971: p.179). Nothing came of the offer.

While Spain’s weakness as a colonial power is one important factor in the development of the special relationship, the economic power of the Cuban *criollo* class, which includes a much broader group than just the sugar planters, is an equally important factor. For instance, between 1815 and 1819 (after the return of absolutism to Spain in 1814) the Cuban *criollo* class obtains five measures quite favorable to their economic interests from the Spanish crown (Piqueras Arenas, 2009: p. 282). These measures are:

- 1) Free exploitation of forest resources and a favorable resolution of a legal claim against

the Spanish Navy (1815); 2) Elimination of the tobacco monopoly by the crown (1817); 3) Free trade with other countries (1817), basically consolidating 25 years of earlier measures and informal activities; 4) The ability to hold, use and transact property previously held in common by private individuals (1819); 5) Finally, the recognition of the validity of land grants by the Crown and municipalities prior to 1729, of transactions that allowed the transformation of cattle ranches into sugar mills, and of the property rights of those occupying royal lands over the previous 40 years (1819).

In sum, the special relation allowed the Cuban *criollo* class, not only the sugar planters, to protect their economic interests whether the prevailing winds in Spain were being blown by Spanish liberals in the Cortes or by the Spanish Crown during this critical period in Spanish history. Moreover, the independence movements elsewhere strengthened the nature of the special relation. For, Cuba was the first landing point in the New World for Spanish troops coming from Europe to try to suppress the insurrections in the rest of Latin America. It was also the place to which they retreated after their defeats (Moreno Fraginals, 1995: p.167).

We are now in a position to view these events associated with the special relation in terms of what they may imply for democracy at the time. This period can be characterized as one of democratization in terms of civil liberties, at least for whites and free nonwhites. In particular, the five reforms illustrating the economic power of the Cuban *criollo* class, which come toward the end of this period under absolutism, all point in the direction of codifying protection and mutually binding consultation against the arbitrary power of the state. They imply a well defined set of rights and obligations for both agents of the state and a large subset of subjects of the state, especially in the

economic sphere. Hence, on these dimensions one must conclude that Cuba experienced a substantial democratization process between 1790 and the 1820s despite its failure to become independent.

When we come to political rights or the breadth and equality of citizenship rights, however, one is usually speaking of the breadth and equality of the rights of Crown subjects. There certainly were substantial inequalities in the breadth and equality of rights enjoyed by different groups. The most important one is, of course, between slaves and whites and free nonwhites. The inequalities between the political rights as well as *de facto* civil liberties of slaves, e.g., purchasing their freedom, and the rest of society certainly increased during this period. On paper the new slave code of 1789, the Spanish *Code Noir*, was more enlightened than any other slave code of the time, but it was not even promulgated in Cuba on appeal from the slave owners because it would encourage dangerous attitudes (Thomas, 1971: p. 74). Thus, the breadth and equality of political rights as well as *de facto* civil liberties of the slave population decreased during this period, leading to substantial de-democratization. It is likely that this would not have happened if Cuba had become independent.

Slaves did not view the situation as legitimate, which is illustrated by their many revolts during this period. Furthermore, many *criollo* non-slaves (both white and non-white) did not view the situation as legitimate either. This is illustrated by the attempts at independence during this period mentioned above and the more numerous subsequent ones, for example the *Rayos y Soles de Bolívar* conspiracy that started as early as 1821 (Martínez Paula, 2007: p.83). In fact, even the more sophisticated *autonomistas* had difficulty in legitimizing a setting where slavery was an integral part of the system. For

instance, this is illustrated by Arango y Parreño's argument opposing the abolition of the slave trade quoted in the previous section.

4. Slavery

We have already discussed some aspects of slavery during this period in the previous section. There, we concentrated on those aspects relevant to the special relation between Cuba and Spain. Here we will focus on the role of slavery *per se* in Cuban society during this period. We discuss first the facts involved in terms of population numbers and subsequently the evolution and characteristics of the system.

Between 1790 and 1820 there was a substantial increase in Cuba's population as well as a dramatic change in its composition. The annual rate of growth of the total population was about 2.9%, but this was made up of a low of 2.4% for whites, a high of 3.5% for slaves and an average of 2.9%, for free nonwhites, mainly blacks and mulattoes. Hence, during this period there was a substantial decrease in the percentage of whites in the population, to about 43%, and a substantial increase in the percentage of slaves in the population, to about 36%. The percentage of free nonwhites remained about the same, around 20 to 21%. Table 1 below presents the relevant available information for the period as well as for prior and subsequent years for perspective. It is an adaptation by the author from the original source (Naranjo Orovio, 2009: pp. 31-32).

Cuba's demographic evolution between 1790 and 1820 reflects an acceleration of a process started before 1790. Furthermore, the main elements of this process continued beyond 1820. This evolution was substantially affected by the importation of African slaves. The period 1815-1819 is the five year period with the greatest percentage

Table 1: Cuba's Population, 1775-1827

	1775	1792	1817	1827
% ¹ /Growth Rate ²				
Whites	56.2/n.a	48.8/.018	43.4/.024	44.2/.026
Free nonwhites	18.0/n.a	20.4/.034	20.6/.029	15.1/-.068
Slaves	25.8/n.a	30.8/.037	36.0/.035	40.7/.037
Totals ³ /Growth Rate ²	171.6/n.a	274.0/.026	553.0/.029	704.5/.025

¹Percentage of total population; ²Annual growth rate between table years; ³Absolute numbers in 000's of persons.

increase in the importation of African slaves in Cuba's history, well over 100%. The flow of slaves went from about 30,000 in the previous five year period to over 100,000 in this one (Perez de la Riva, 1979: pp.41-44). These numbers are not surprising in light of the Spanish agreement with the British to abolish the slave trade with a three year grace period in 1817 (Thomas, 1971: p.94).

Prior to the increase in plantation agriculture in 1770, which accelerated during the period 1790 to 1820, slavery had some features that ameliorated the more inhumane aspects of the institution. It has been well documented that it was feasible and not a rare event for a slave to buy his or her freedom (de la Fuente, 2009: pp.142-143). For instance, 80% of freed slaves bought their freedom during the period 1700-1770 (the other 20% were released by their masters) and free nonwhites constituted about 20% of the population during this period. 79% of the freed slaves in 1690-1694 were *criollos* (born in the island) as opposed to African. Women were able to buy their freedom in greater proportion than men, despite their inferiority in terms of numbers, and at earlier

ages. For example, the average age of women at manumission was 24 years, against 37 for men, in the 17th century and it was 42 years, against 48 for men, in the 18th century.

Two important reasons for these differences in slavery prior to 1790 lie in the structure of the economy and in the evolution of the plantation system. Cuba's main economic activities were not dominated by a plantation system until the end of the 18th century. Thus, slaves could even work on their own as long as they paid a daily fee, *jornal*, to the slave owner. In the cities this gave rise to their participation in a wide variety of activities in the tertiary sector, especially among females.

Even in agricultural activities such as those of cattle estates, which hardly used slaves, or those of tobacco farms, which were not operated as plantations and produced the main export product during most of the 18th century, the life of the slaves was less controlled by the masters (de la Fuente, 2009: p.144) than in a plantation system.

Furthermore, in the plantation sector the use of large numbers of slaves, which requires greater control mechanisms, is a feature of the late 18th century. For example, between 1750 and 1780 the average number of slaves in a Cuban sugar mill increases by 50, from an average of about 18 at mid-century (de la Fuente, 2009: p.144).

Expansion of the large scale plantation system between 1790 and 1820 changes the nature of slavery in profound ways. It becomes far more difficult to buy freedom both because of the tighter control of the slaves' labor under the large scale plantation system and because of the increase in the economic value of slaves. For instance, the cost of a *bozal* (a slave imported from Africa) in Cuba was estimated at 200 pesos in 1792 and at 375 pesos in 1818. Despite the increase in price, demand for slaves increases substantially due to increases in the demand for sugar.

One factor that facilitates meeting this increase in demand for sugar are technological advances incorporated into sugar production industrial processes. One of them, for example, was the Jamaican train of copper cauldrons that could be heated over the same fire and at the same time and temperature. It was brought over by French planters (Bethell, 1993: p. 9). In any event the number of slaves in 1792 was estimated at 88,000 and in 1817 at 147, 000. Perhaps more importantly in our context, the number of females went from 40,000 in 1792 to 25,000 in 1817 (Thomas, 1971: p.89). The 16 hour days in the plantations and the nature of the work favored the use of males over females. It also worsened the quality of life for plantation slaves during this period (e.g., Moreno Fraginals, 2009: pp.171-180).

Both the political rights and the civil liberties of slaves worsened during the 1790-1820 period due to their increased prevalence as the main source of plantation labor. While there was no change in the formal circumstances for buying their freedom, the possibilities of doing so in practice diminished considerably for the two reasons indicated above. One symptom of the deterioration of the slaves' situation was the decline in fertility of plantation female slaves. It was much lower than their white counterparts despite economic and sociological reasons leading to the expectation of a higher level. It even attracted the attention of foreign medical experts who were engaged to explain the disparity (Moreno Fraginals, 1995: p.175). There is no doubt about this period being one of a de-democratization process for this segment of the population. This is the case in terms of a lack of breadth and equality of rights and a lack of protection and mutually supporting obligations between the state's agents and this segment of the population. Furthermore, the situation of the plantation slaves would not improve for several decades.

Two social groups in addition to the planters' class, however, benefitted during this period from increased political rights and civil liberties. One was free nonwhites who for a long time had been able to participate in the Army and in various occupations, including teachers. For instance, during this period a substantial number of free nonwhites participated in military activities on behalf of the Spanish Crown. They did so as units composed entirely of *pardos y morenos* (blacks and mulattos) sometimes suppressing insurrections elsewhere. Ironically, this group lost many of the privileges gained from this and prior democratizations upon the return of absolutism once the wars of independence had been settled in the mid 1820s (Moreno Friginals, 1995: pp.179-180; Casanovas Codina, 2009: pp.176-177).

An interesting illustration of their subsequent loss of protection from the state is the experience of the *coartados*. The latter were slaves who had paid a portion of the agreed price to become free. Around 1840 they are said to prefer to remain slaves than to become free due to the greater personal security accruing to slaves than to free nonwhites (Moreno Friginals, 1995: p.178).

Another group with a similar experience was that of *peninsulares*, Spaniards residing in the island, especially those engaged in economic activities other than sugar and coffee. The reliance on monopoly control of trade by the Spanish Crown during most of the early colonial period had limited their civil liberties. The latter began to improve after the relaxation of the actual Crown trade monopolies in the last quarter of the 18th century. During the 1790-1820 period their civil liberties were strengthened by some of the measures supporting the special relation between Cuba and Spain described

in the previous section. This increase in democratization can be characterized as an attempt to increase the legitimacy of the state for this group.

Just as in the case of free nonwhites and even the *criollo* planter class, however, once the independence issue was settled in the mid 1820s a de-democratization process ensued for this group in the subsequent period. In their case the driving force was also the return of absolutism and the latter's uneasy alliance with the *criollo* planter class. For instance, in 1825 white *criollos* were exempted from military service and could travel freely as a result; *Peninsulares* were not exempted, which impeded their ability to travel to a considerable extent (Casanovas Codina, 2009: pp.176-177). Of course, this decree also limited the possibilities of rebellion by the *criollo* class.

5. Economic Conditions

Indirectly we have already considered economic conditions during this period but it is worthwhile to be more explicit about the situation. We begin by providing evidence on the extent of economic progress between 1790 and 1820 directly. Subsequently we discuss several issues of interpretation.

Sugar exports rose from an annual average of about 5,300 tons in 1760-1764 to about 18,000 tons in 1790-1794 to about 62,000 tons in 1820-1824 (Santamaría García, 2009: p. 75). This implies a compound growth rate of 4.07% in the first 30 years and of 4.12% in the second 30 years. Coffee exports grew from less than 80 tons prior to 1792 to 12,000 tons by 1823 (Thomas, 1971: p. 129). This implies a compound growth rate of 16.7% over the 30 year period.

One reason for the dramatic increase in Cuba's coffee exports was the economic impact of the Haitian rebellion between 1791 and 1804. It resulted in the destruction of

numerous coffee plantations as well as a substantial number of sugar ones. The Spanish colonial authorities viewed this rebellion as an economic opportunity. For instance, in 1792 a royal decree granted coffee an exemption from certain taxes (*alcabalas* and *diezmos*) for ten years, which was extended indefinitely (Thomas, 1971: p.129).

Cuban planters also viewed the Haitian process as an economic opportunity, because it destroyed the French sugar trade. The latter was Cuba's biggest rival in the world at the time (Thomas, 1971: pp. 77 -84). Some planters in the western part of Cuba, for example, burned their tobacco fields to devote the land to sugar production. Similarly, a period of innovation in the sugar industry took place by both local planters and French immigrants from Haiti. Innovations were spurred by a sensational increase in sugar prices, relative scarcity of land and especially of slave labor.

How sensational was the rise in sugar prices during this period? One study of the behavior of sugar planters during this period (Allahaar,1984,) reports a price for white sugar of 4 *reales per arroba* (25 pounds) in 1790 and 28 *reales per arroba* in 1818. This increase implies an annual growth rate of almost 7% during the period. No comparable data exists for Cuban coffee prices but South East Asia coffee export prices during this period are reported as declining up to 1820 (O'Rourke , 2006, Table 2, p.143).

Another consequence of this opportunistic view was a far more substantial involvement of Cuban merchants in the slave trade, which had become both more profitable and less controllable by all colonial governments. Prior to this period the slave trade had been dominated by other nationalities.

One final aspect of economic conditions during the period 1790-1820 merits mention here. Cuba's fiscal situation becomes highly unusual and unique relative to prior

experience. Before this period resources often had to be assigned to Cuba from other colonies, specifically Mexico. This was due to the structure of Spanish colonial administration, which was designed to extract taxes from countries with large indigenous populations and/or mining sectors (Coatsworth, 1998). To illustrate, Cuba's ratio of exports to tax revenues around 1800 was the highest of any of the six major countries for which these figures could be calculated at the time: Cuba, 3.33; Argentina, 2.95; Brazil, 2.85; Peru, 1.22; Chile 0.44; Mexico, 0.40 (calculated from Coatsworth 1998: Table 1.6).

Interestingly, this lower level of taxation for Cuba in the early part of the period entails a potential for a higher level later once the process of becoming an export economy is completed. Since taxes on international trade are very attractive when tax administration systems are weak, because they are easier to collect than other taxes, the greater the proportion of GDP coming from the export sector the more attractive this sector becomes as a source of taxes. Indeed, by 1830 70% of public revenues in Cuba were being raised through custom duties (Santamaría and García, 2004: p.62).

The implications of economic conditions during this 30 year period for attaining independence are somewhat direct. It was very attractive to remain a colony for many. The Cuban *criollo* class was experiencing a low level of taxation relative to other colonies and the economy was booming. Colonial status lowered the probability of a major re-organization of production with respect to the two main drivers of economic activity during the period (sugar and coffee), since it eliminated the need to consider the abolition of slavery. Under colonial status *peninsulares* maintained their connection with Spain and enjoyed the prosperity of the period.

Free nonwhites also enjoyed this prosperity but many must have had mixed feelings about its reliance on slavery and whether or not independence would change the situation. While the slaves in plantations experienced lower welfare from the prevailing economic conditions, independence need not necessarily have implied abolition of slavery. Even in many cases when a link was made between independence and abolition, the assertion of a need for compensation muddied the waters.

From the Spanish point of view, those supporting the absolute monarchy could look at potential future revenues and at the use of the ‘ever faithful isle’ as a base of operations for continued subjugation of the other colonies. Those in favor of a constitutional monarchy or a republic would have considered those benefits, but they would have been tempered with the logical difficulty in reconciling the maintenance of slavery with limiting the absolute power of anyone human being over another. Finally, this discussion of economic conditions suggests that extending democratization possibilities through independence could have been very costly if it jeopardized the functioning of the industry underlying the boom.

Implications

On the basis of the considerations in the previous three sections one might be skeptical that anyone of them, by itself, would have resulted in the differential timing between independence in Cuba and the rest of Latin America. Nevertheless, if we consider that all of them were operating simultaneously and the unusual intensity in the operation of each of these three factors between 1790 and 1820 stressed in section 2, the skepticism disappears. Indeed, the burden of proof is on how evaluations of the benefits and costs of promoting and supporting an insurrection to obtain independence by the

Cuban *criollos* , perhaps including most free non-whites early in the period, would yield anything but negative conclusions.

Were most Cubans better off economically as a result of this outcome? In a recent paper arguing that Latin America's economic performance during the period 1820-1870 was not as dismal as implied by earlier research, Cuba's rate of growth of GDP per capita during this 50 year period is estimated to be 0.7%. This compares favorably with the average for the eight Latin American countries considered (including Cuba), which is estimated to be 0.5% (Prados de la Escosura, 2009: Table 6). Yet given the profound inequality implied by a 40% slave population in 1820 under 'the second slavery regime', it would take peculiar welfare weights to answer in the affirmative.

Our analysis suggests that the view that factor endowments determine the path of development through their impact on inequality, e.g., Engerman and Sokoloff (2002), is a bit too mechanical. In Cuba's case the path was substantially affected by the events of this unique 30 year period acting just like the butterfly that creates the *tsunami* in complexity theory. Perhaps more importantly, it brings the source of the very profound cleavage between major segments of the population (slaves and free nonwhites versus white *criollos* and peninsulares) that evolved as a result of the choices made by society during this period. These choices undermined the legitimacy of all subsequent political regimes if, following Lipset (1959), political systems must resolve or moderate social cleavages to maintain or improve their legitimacy.

In Cuba's case a significant long-run consequence of this historical period was the creation of an obstacle to Cuba's democratization that has yet to be fully resolved. While it would take us too far beyond the present paper to study the evolution of this process in

detail, it is straightforward to make the basic point by highlighting two major features of the subsequent evolution.

Independence in 1902 led to a democratic republic that eliminated the cleavage *de jure* from the point of view of political rights and civil liberties but it had very little effect *de facto*. In general the imposition of the Platt amendment, giving the US the right to intervene in Cuba, on the Cuban Constitution in 1902 was not a very auspicious beginning for a democracy (Thomas 1971:444-62). The Cuban rebel army was substantially made up of blacks and mulattos. The latter were deprived of the spoils of victory by the American intervention in 1898. Not surprisingly this led to an armed insurrection in 1912 referred to as “The Negro Protest” (Thomas 1971:514). This is powerful evidence that a substantial segment of the population did not view this particular Republican result as legitimate.

Since the current regime is not widely regarded as a great provider of political rights and civil liberties for most of its citizens, black or white, this cleavage has not exactly been resolved in reality despite rhetorical claims to the contrary. Indeed, even liberal American blacks have of late lambasted the regime for its failure to address the disparity in outcomes between blacks and whites (Ovejas 2010). No future political regime, democratic or not, will maintain or improve its legitimacy without finding mechanisms to address this cleavage between groups that became so much more profound almost 200 years ago.

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