Comparing Cuba, China, and Vietnam

written by Carmelo Mesa-Lago | February 4, 2026

Professor Samuel Farber has taken time and significant effort to review my latest book *Comparing Socialist Approaches: Economics and Social Security in Cuba, China and Vietnam* (University of Pittsburgh Press, 2025). So far, his review is the longest and most profound published, and he adds information from his own that is very useful. His description of my book in the first part of his review is faithful to my text, quite positive, and very readable. I am grateful therefore for his review.

My observations are addressed to the second part of his review in which he (1) discusses the authoritarian nature of the socialist market in China and Vietnam, and (2) critically evaluates two of my social-security policy proposals for Cuba.

1. The authoritarian nature of China and Vietnam political regimes

Farber's states: "Many of the Cuban sympathizers of the two Asian systems ignore that they are no less antidemocratic and authoritarian than the Cuban regime." Although he does not specifically mention me, since this is a review of my book most readers will assume that I am included. My book (342 pages) is entirely devoted to the economic-social models of the three countries and to measure their economic and social-security performance, not their politics. I am not a political scientist and including that subject in the book would have been impossible. The Introduction of my book (pp. 9–10) examines asymmetries of my knowledge and experience on economics and social security in the three countries. I have devoted sixty years of my academic life to researching those two topics in Cuba (and also to other two major interests, social security and comparative economics systems), but I knew little about China and virtually nothing about Vietnam, the reason that my book took three years to write. Nevertheless, I fully agree about the anti-democratic and authoritarian nature of the three regimes, and in my book cite political scientists that support that view.

In Appendix 1, "China policy shift in the [socialist-market] model under president Xi and its effects," I cite economic scholars that document how Xi's extended his mandate (not seen since Mao Zedong), increased concentration of power (including a shift from decentralized to centralized planning) and expanded party control of enterprises ("most companies now have communist party cells that have taken over decision making"). I also show that these autocratic policies have contributed to the slowdown in China's economic growth (249–53). In footnote 1 (Chapter 1), I note that my book does not deal with political science but I cite Chinese and foreign scholars' opinions on the authoritarian nature of China's regime.[1] Finally, in footnote 3 (Chapter 2), I quote Jonathan London's characterization of the Vietnamese model as "market-Leninist, a combination of party political control, a market economy and a mixed welfare regime of public and private entities."[2] Farber summarizes both Vietnamese and Chinese authoritarianism.

2. My policy proposals

My proposals are on social security not only for Cuba but also for China and Vietnam and are explained in the last chapter of my book (forty-four pages). Farber selected two social-security issues for discussion: health care and the age of retirement. He states, “Unfortunately, Mesa-Lago makes certain recommendations without considering their social and political context and consequences. For example, Mesa-Lago recommends the operation of a private system to ‘compete’ with the public system,” but he omits my first recommendation: a universal and unified public health system with better efficiency. Furthermore, Farber picked one recommendation that took half of a line versus ten pages of some four hundred recommendations; the omitted recommendations precisely showed that indeed I do care about “social-political context and consequences.” For instance, extending health coverage to the poor and informal-self-employed workers and providing non-contributory pensions to the poor. I gave priority to those vulnerable groups protected through social assistance (which have been sharply cut in Cuba) instead of Farber’s concern with the age of retirement of formal-salary workers with good wages in developed countries (see below).

Readers of the review will get the incorrect view that I am a neoclassical economist and strong supporter of privatization, just the opposite of my work in the last sixty-seven years, a fact that Farber fully omits. My ideology is based on Keynesianism[3] that expanded all over the world since the mid 1930s until the 1980s. Influenced by Keynes, British progressive social reformer William H. Beveridge developed social security, the base for the modern social welfare state: “protection from the cradle to the tomb.” In 1935 U.S. president Franklin Delano Roosevelt promoted the Social Security Act that introduced pension and unemployment social insurances. The program was extended in 1965 when president Lyndon B. Johnson signed the Medicare and Medicaid Act. The latter was expanded by President Barack Obama in 2010 with the Affordable Care Act. In Latin America, the first countries to implement social insurance were Chile (1924), Uruguay, Cuba, and Brazil (1930s), and Argentina (1940s).

In the 1960s and 1970s, University of Chicago professor Milton Friedman, a neoclassical economist, turned the cycle again and advised Prime Minister Margaret Thatcher in the United Kingdom and President Ronald Reagan in the United States and his ideas influenced many countries in the world. Some of Friedman’s students (the so-called Chicago Boys) advised dictator Augusto Pinochet in Chile with their neoclassic policies and advocacy of privatization of public services including health care and pensions. In several books I have been critical of this right-wing ideological change, particularly but not only in Latin America. Take these five books for example:

> *Desarrollo de la seguridad social en América Latina* (Santiago de Chile: Naciones Unidas, Comisión Económica para América Latina [CEPAL], 1985). This book, written while I was regional adviser to CEPAL, introduced the study of social security in that institution and was critical of Chilean privatization of pensions.
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> *Changing Social Security in Latin America: Towards the Alleviation of Social Costs of Economic Reform* (Boulder: Lynne Rienner, 1994) shows how social security could cover the cost of the devastating structural economic reforms.
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> *Reassembling Social Security: A Survey of Pension and Healthcare Reforms in Latin America* (Oxford: Oxford University Press, 2008), a deep analysis of how re-reforms retrogresed privatization in pensions and health care either re-establihing public systems or a mix of public and private systems.
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> *Re-Reforms of Privatized Pensions Systems*, editor and author of four chapters (Munich: Zeitschrift für ausländisches und internationales Arbeits- und Sozialrecht, 2012), a series of essays by experts of the re-reforms in Argentina, Bolivia, Chile, and Hungary.

> *Evaluation of Four Decades of Privatization of Pensions in Latin America (1980–2020): Promises and reality,* a systematic evaluation of the dismal performance of pension privatization in half of the countries in Latin America, contrasting its promises with the reality.

These books have been reviewed by eighty-four prominent scholars and entities like the International Labor Organization (ILO), CEPAL, and the Organization for Economic Co-operation and Development, which labeled me the "master of social security in Latin America" and coincide with my rigorous criticism of privatization of pension and health care in Latin America. For instance, Diego Sánchez-Ancochea, professor of economics, Oxford University, wrote in 2009: "It offers a demolishing criticism of the [structural] reforms but never falls into simplistic or superficial arguments, presenting instead numerous facets that enrich our understanding of such processes. A monumental work that excels for its wealth of information, rigor of the proposals, and the very interesting and ambitious research agenda that leaves us for the future."

In addition, I have evaluated social security programs in twenty-two countries of Latin America and the Caribbean, sponsored by the ILO, CEPAL, the Friedrich Ebert Foundation, and governments. I demonstrated the flaws and provided multiple recommendations to undue privatization reforms. Chilean socialist president Michelle Bachelet appointed me in her international pension commission to re-reform the privatized pension system, which provided fifty-seven important recommendations.

The Age of Retirement

According to Farber: "Mesa-Lago tends to treat the question of retirement as a purely economic if not actuarial problem and certainly not as a social problem.… In addition, he argues that the norms for early retirement should be reinforced to avoid their 'improper use'." Farber ignores all the literature on the subject, including that of the ILO that stresses financial-actuarial sustainability as a key social security principle. If the pension system is not financially-actuarially sustainable in the long run, all other ILO principles (universal coverage, benefit sufficiency, social solidarity, gender equity, and so forth—what Farber calls "a social problem") will go bankrupt. Early retirement (let's say at 57 instead of the statutory age of 65) will have the same result. This was the recent case of Costa Rica, a solid democracy with one of the most successful social security systems in Latin America, where early retirement provoked a serious financial-actuarial imbalance of its pension program that required a "parametric" reform in order to save said program. A parametric reform is one that implements adjustments (for instance, increasing the age of retirement often too low, rising insufficient contributions, even cutting some generous benefits) to save a public pension system and avoid the threat of privatization, whereas a structural economic reform radically replaces a public system with a private one as Pinochet did in Chile, while re-reforms are those that change privatized systems into either public or mixed systems (combining public and private piers).

In order to support his argument, Farber brings up the 2023 massive protests in France against president Emmanuel Macron's increase in the retirement age from 62 to 64. Farber supports "the necessity of retirement from a working-class and human point of view.… [L]ife should not be limited to the many years of work, but also to the years to enjoy and pursue other interests while most people are relatively healthy." According to him, the solution to the problem should be state subsidies. I have written several articles on the issue of aging and pension reform. The age of 64 in France is well below that of other industrialized countries: it is 67 in Denmark, Holland, Italy, and Norway; 66 growing to 68 in the United Kingdom; 66 in Spain, Ireland, and Portugal; 65 rising to 67 in Germany and Belgium, and 65 in Canada, Hungary, Japan, Luxembourg, Poland, and Slovenia. Moreover, countries much less developed than France have a retirement age of 65, like Azerbaijan, Honduras, Mexico, and Nepal. Finally, life expectancy at retirement age is over 83 years in France, but the average of developed countries members of the OECD is one year lower, therefore a French retiree lives at least one year longer than in other developed countries. It is obvious that the retirement age of 64 is rational and necessary to avoid a catastrophe (Mesa-Lago, 2023).[4] In Latin America, too-low retirement ages have bankrupted the pension systems of Argentina and Brazil, which are largely supported by growing fiscal transfers. At the beginning of the Cuban revolution and until 2008, ages of retirement were among the lowest in Latin America (60 for men and 55 for women) but Cuba had a very high life expectancy hence the state had to cover 44 percent of its expenses. A parametric reform in 2008 added five years to the retirement age for both genders, but accelerated aging (Cuba has the oldest population in the region) eventually increased the state subsidy and the ultimate cost was a reduction of 50 percent of real pensions (adjusted for inflation).

Summarizing, I have played a significant role in Latin America and elsewhere, showing the failure of privatization and advocating re-reforms to reinforce public systems and their financing-actuarial equilibrium. To propose expansion of benefits against the reality and without proper financial measures is irresponsible because this will bankrupt the public pension system and open the door to privatization.

notes

1. Among those cited is political scientist Jorge Domínguez who labeled the three systems as one-party authoritarian, "The Democratic Claims of Communist Regime Leaders," in *Communist and Post-Communist Studies*, 54 (1-2), 2021: 45-65.

2. London, Jonathan, 2023, "The Communist Party of Vietnam: Consolidating Market Leninism," In *The Routledge Handbook of Contemporary Vietnam* (Abingdon: 2023): 21-47.

3. John Maynard Keynes, the British founder of this economic ideology, the most influential economist of the 20th century, took a middle way between communism and capitalism, advocating state interventions to cope with the adverse effects of a free market economy, for instance, government creation of jobs and stimulation of demand to combat unemployment as well as depressions and great recessions, solidly based on a robust democracy.

4. Carmelo Mesa-Lago, ¿Es justificada la insurrección por las pensiones en Francia?, *Letras Libres*, May 17, 2023;+

Click here for Samuel Farber's original review.

Click here for Samuel Farber's rejoinder to Carmelo Mesa-Lago's reply.