Sometime in the next few years, the Cuban people will be faced with a huge decision: how to develop their nation. As the Castro brothers fade from the scene and relations with the United States continue to thaw, a new generation of Cuban leaders will be forced to grapple with the inevitable challenges of political and economic reform. Like the governments of Eastern Europe after the fall of the Berlin Wall, they will have to plot a path from communism to capitalism; like their neighbors across Latin America and the Caribbean, they will have to juggle a historical distaste for Western (and particularly U.S.) imperialism with a desire for Western goods, technology, and capital. And like leaders everywhere, they will almost certainly have to strike a balance between the demands of economic prudence and political expedience, forming institutions that will serve their country over the long run while heeding their citizens' call for more immediate change.

Whoever these new leaders will be and however they will come to power, they will face a panoply of development options and an avalanche of advice. But they would do well, in the early days of their decision-making, to heed the model of another island nation—one dealing with the loss of a legendary leader and that arguably handled its post- colonial development better than any other small country. I'm referring, of course, to Singapore.

Between 1965 and 1991, the tiny city-state grew at an astonishing compound annual growth rate of nearly 14 percent. Critics of the island's performance accused its celebrated leader, Lee Kuan Yew, of thinly veiled tendencies toward communism and authoritarianism; they argued that the country's pace of growth was being artificially inflated by investment rates that would quickly prove impossible to sustain. Yet Lee and Singapore outlived, and outperformed, their detractors. The country maintained strong growth throughout the 1990s, stumbling only slightly during the 1997-1998 Asian economic crisis and achieving levels of per capita income that approached those of the industrialized West. Even in the early years of the 21st century, as Lee slipped from politics, Singapore maintained an average annual growth rate of around 5 percent.

In retrospect, it is easy to attribute Singapore's extraordinary trajectory to luck, or to a hardworking culture, or to Lee's undeniable record of micromanaging his citizens and quashing dissent. But the real reason behind Singapore's success was the country's unique understanding of what it had to offer the world and how to craft a development strategy around an honest appraisal of those assets.

At independence, Singapore was little more than a rock in the sea—a small colonial outpost half the size of modern- day Los Angeles, wedged between Malaysia and Indonesia. It had no natural resources, no industrial infrastructure, and a population split among ethnic groups that shared no true common language. It had a deepwater harbor, however, and a port situated at the southern entrance to the strategically important Strait of Malacca. It was from this port that Lee and his comrades built their nation. They invested all the capital funds they could muster into the port's development. Several years later, they financed repair and refueling facilities that would induce ships to come —and stay.

Singapore's leaders trained a labor force to service both the port and a subsequently constructed airport, leveraging the island's location to become a regional hub for shipping, commerce, and eventually foreign investment. They kept these workers compliant and content by investing heavily in housing. Simultaneously, they developed a sophisticated method of forced savings that channeled the nation's capital into internal investments. This all worked because it was a system—a carefully analyzed, constantly re-examined plan for taking what Singapore had and maximizing its use.

In contrast, the history of post-colonial development is littered with great visions brought down by limited or mismatched resources. Brazil, for example, has a legacy of overinvesting in grand projects (dams, ports, railways) that never meshed with either its assets or the world's needs. Kenya constructed major fish-processing plants in the 1970s, neglecting to consider that most of the local population had no history of eating fish and that the economy had no means of providing the freezers and clean water that the plants required. The Palestinian Authority once briefly considered growing its fragile economy by luring Scandinavian tourists to the beaches of Gaza.

None of this is to say that developing countries such as Cuba need to think small. On the contrary, the lesson from Singapore is that starting from a realistic assessment gives countries the power over time to think big. In the 1980s, for example, Costa Rica leveraged its political stability and extreme biodiversity to position itself as a center for ecotourism in Latin America and to then entice investment from foreign manufacturers, many of whose executives had first visited the country as vacationers. Similarly, once Botswana had crafted a stable structure of property rights around its vast underground wealth of diamonds, which elsewhere are typically exported in their rough state, it formed an integrated, profitable industry around polishing and cutting the stones.

This basic maxim of starting small to grow large isn't confined to countries; it extends to corporate and nonprofit entities as well. Far too frequently, these organizations falter because their plans are based on dreams—on how they would grow or what they would do if myriad improbable factors fell perfectly into place. Start-ups long for an angel investor or a sudden burst of attention that launches an initial public offering. Nonprofits imagine what they could do with greater funding or a surge of interest in their cause or programmatic offerings. Sometimes dreams come true, of course—but not always.

The Singaporean model is more powerful than dreaming and more likely to achieve results. And it is widely replicable, not with regard to the details of what Lee and his colleagues did, of course, but with regard to how. They were honest and clear about what their country did and did not have; methodical in their planning and execution; and steadfast in their follow-through. These are lessons that Cuba's next generation of leaders, unshackled from their predecessors' ambitious but ultimately unrealistic goals, would be well-advised to consider. They should build gradually from the assets that Cuba has—fertile land, an enviable location, and an eager and wealthy diaspora— rather than aim for utopia.

Illustration by Matthew Hollister