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Cuba's Upcoming Communist Congress Marked By Urgent Economic Adjustment and Massive Layoffs

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The Partido Comunista de Cuba (PCC) Congress, planned for April 16-19, aims to "update" socialism on the island during the same time period when the state will dismiss half a million state employees. Meanwhile, President Raúl Castro acknowledged that the national economy is balancing on the edge and prophesied his generation’s retirement from power.

This Sixth Congress of the PCC should have been held in 2002 but has been repeatedly postponed. Its only subject for debate will be the economic-adjustment plan promoted by 79-year-old Castro, who has been at the helm since his brother, 84-year-old Fidel Castro, abruptly left power because of a health crisis in July 2006 (NotiCen, Aug. 3, 2006).

Unlike previous congresses held by the PCC on the island since 1975, this one will have fewer delegates, only 1,000, who were selected for their experience and knowledge of economic matters.

Adjustments against the clock

The Cuban president urges that socialism be maintained, but through increased efficiency and productivity, elimination of excessive state entitlements and subsidies, implementation of a new tax system, and the eradication of bureaucratic obstacles and prohibitions that impede economic recovery.

In addition, Castro favors the decentralization of the economy and the opening up of private businesses, cooperatives, and foreign investment. The structural changes in the model would be extended from 2011 to 2015, when the Seventh Congress will be held.

After 52 years of experiments and economic hardships, Cuba still rejects the market economy. Finance Minister Marino Murillo indicated that this is not about reform but rather a "modernization of the economic model. Nobody thinks that we are going to transfer ownership, we are going to manage in another way."

The PCC circulated a 32-page document titled "Draft of Guidelines for the Economic and Social Policy of the Party" for discussion at 100,000 public meetings starting last December and continuing until Feb. 28. It advises that, "in the updated economic model, planning will prevail, not the market."

The document reaffirms closing inefficient state companies and creating small private businesses, cooperatives, and cooperative unions in sectors such as construction, food, and the service industry. In addition, state companies will have greater flexibility to manage their budgets and give salary incentives to their employees.

Officials warned about the disappearance of the ration card, a symbol of Cuban socialism, which since 1962 has allowed rationed distribution and subsidized prices for food and toiletries. During the last two decades, supply has been increasingly reduced, unstable, and of poor quality.
Another cause for alarm among the population is the announcement that spending cuts in education and health will continue. Hospitals and outpatient clinics on the island find themselves in deficit conditions because of a lack of supplies, equipment, and the thousands of health professionals that Havana has sent to serve in other countries like Venezuela.

Before the congress assembles, state companies will move out about 500,000 employees, who could be absorbed by the private sector that is now trying to push the government into granting licenses for some 170 businesses. Official sources say that the state has a surplus of more than 1 million employees.

Castro has prepared conditions for the reforms through systematic changes in his Cabinet, the most recent in January, and the most profound changes in 2009 when he replaced a dozen ministers, including several who for years were his brother Fidel’s most trusted advisors. At the same time, inspections and interrogations have increased that have uncovered serious cases of corruption.

**Support from Venezuela and PCC internal adjustments**

Preparations for the PCC Congress were announced on Nov. 8, 2010, in Havana during the ceremony in which Castro endorsed the comprehensive cooperation agreement for the next ten years with his main political ally and trade partner, Venezuela. President Hugo Chávez was present for that ceremony.

Caracas sends 100,000 barrels a day of petroleum to the island and in turn receives the assistance of 40,000 Cuban collaborators. "We are heading for an Economic Union between Cuba and Venezuela under a new type of relationship that will facilitate a better order, rationality, and efficiency of joint projects," said Castro.

The president added that the bilateral agreement is "an important step toward the objective of achieving true economic complementarily, based on the optimal use of infrastructure, knowledge, and the existing resources in both countries and above all, the political will of our governments."

After the congress in April, a national conference will be held to modify "methods and styles of work" of the PCC. The conference, whose date is still to be announced, will gather together 850,000 activists on the island. That meeting will decide whether Fidel Castro remains the first secretary of the PCC. Raul is currently the second secretary in the organization.

The Cuban Constitution stipulates that the PCC is "the leading force for society and for the state." In agreement with President Castro, through the years the PCC has involved itself in functions that "do not belong;" its mission is "to direct and control and not interfere in government activities."

Castro believes that the Sixth Congress will be "the law of life," the last of the "historic generation" that came into power Jan. 1, 1959, and therefore has an "obligation" to stop the country's course. In his view, "We are rectifying [the situation]; the time of continued balancing on the edge has come to an end."

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