Thousands of Cubans Cut Umbilical Cord with State Through Self-Employment

Daniel Vázquez

Follow this and additional works at: https://digitalrepository.unm.edu/noticen

Recommended Citation

This Article is brought to you for free and open access by the Latin America Digital Beat (LADB) at UNM Digital Repository. It has been accepted for inclusion in NotiCen by an authorized administrator of UNM Digital Repository. For more information, please contact amywinter@unm.edu.
Thousands of Cubans have chosen to work for themselves, despite their lack of marketing experience, scarce raw materials, and a clientele with low purchasing power. The government of President Raul Castro decided to "update" the Cuban socialist model and gradually reduce the inflated workforce built up by the state through five decades when it was practically the only employer.

With a more pragmatic style of governing a country in constant economic hardship, Castro gave the green light at the end of 2010 for the gradual elimination of 1.5 million state jobs (NotiCen, May 5, 2011). At the same time, he approved an increase in private-business activity to reschedule the surplus of workers as well as to energize the markets, increase efficiency, and improve internal services.

The liberalization of the productive forces marks a shift in economic policy. Since the 1960s, working independently and private initiative were demonized in virtue of the paternalistic, totalitarian model transplanted from the Soviet Union. The state assumed the role of the main employer, taking advantage of that role by controlling each individual economically, politically, and through the unions.

The ideal of total social equality required that individual efforts to generate profits be banned, as if they were an act of breaking with the "proletariat class" and rooting oneself in capitalism. Now the situation has changed dramatically. Data from the Ministerio de Trabajo y Seguridad Social (MTSS) show that the number of self-employed persons reached 371,000 in March.

The number of self-employed was at 157,000 at the end of 2010 when the government announced layoffs on the eve of the January 2011 VI Congress of the Partido Comunista de Cuba (PCC) under Castro’s conviction that "we change or sink." The readjustment efforts launched by former President Fidel Castro’s brother were also intended to combat corruption, theft, and negligence (NotiCen, Jan. 27, 2011).

From inflated workforce to self-employed

Self-employment implies a change in the collective mindset when state salaries are still around US $15. In the last 20 years, thousands of Cubans preferred to stop working for the state because their income did not compensate their minimum labor costs, such as transportation, food, and clothing, in addition to the obligatory payments to union, military, and political organizations.

Nevertheless, incentives included retirement, access to electrical home appliances that were institutionally shared depending on merits for labor, access to goods and services (occasionally misappropriated for private use), as well as evading suspicions of political apathy or avoiding authoritarian subterfuge for some supposed vagary.
The "inflated workforce" was created in state offices, bringing with it an accumulation of employees who still take turns among themselves to escape work to take care of their personal business. Additionally, service industries and food sales have languished for lack of raw materials and lack of initiative by administrators.

Sixty-six percent of the currently self-employed lack prior employment with the state, 18% come from state entities, while 16% are retired. The official press indicates that the most successful jobs include making and selling food, transporting cargo and passengers, renting houses, street vending of agricultural produce, and selling various articles for domestic use.

This year the government expects the number of self-employed to reach 600,000, including occupations that operate land allocated for profit by the state. Data from the Oficina Nacional de Estadísticas indicates that the employed Cuban population was 4,984,500 and the unemployment rate was 2.5% at the close of 2010.

For Lázaro, a young man from the crowded Marianao neighborhood in Havana, self-employment is a limited, precarious option that does not resolve his long-term needs. Therefore, he would rather end his university career and emigrate. Among the self-employed, men between the ages of 40 and 49 predominate, and the number of women is increasing according to the Tribuna de La Habana.

After decades of the government controlling 90% of the economy, and with a good part of the total population of 11.2 million born under the communist regime, it is now necessary for the self-employed to quickly learn the rudiments of accounting, finance, resource management, taxation, and marketing through courses offered by the Asociación Nacional de Economistas y Contadores.

The panorama of Cuban streets and neighborhoods is changing and leaving behind the resistance to change. Now property previously denied to locals is being rented out for humble businesses such as carpentry, upholstery, metalwork, jewelry, woodworking, bicycle repairs, watch repair, shoe repair, mattress repair, electronics and appliances repairs, barbers, hairdressers and manicurists.

Subsistence on the state’s margin

For foreign journalists and observers on the island, self-employment requires additional measures for vigorous growth and better safeguards through access to wholesalers, foreign imports of goods, equipment, and raw materials, and open negotiations between state business and foreign capital.

The self-employed are officially urged to march together on May 1 in the Plaza de la Revolución, the largest political rally in the country that has turned into a show of support for the government. Granma, the official newspaper of the PCC, affirms that 80% of the self-employed workers now belong to unions. Julio, a self-employed worker from the populous Centro Habana neighborhood, feels that the state tries to politically control the self-employed workers through the unions.

At 38 years old, Julio always refused to work or maintain political ties to the state but has been pleasantly surprised by the gradual freeing up of the private sector and the approval of 181 activities now allowed for the self-employed. He confesses that, in the 1990s he already had a budding bakery business but lived in fear of being denounced by the Comités de Defensa de la Revolución (CDR) and having the police confiscate his work utensils and other goods that he had acquired.

Julio notes that a legal framework now exists for activities that were previously carried out surreptitiously but complaints persist about state inspectors who extort money from the self-
employed who are not always in the best condition to meet quality standards or who use raw materials bought on the black market, allegedly stolen from state warehouses.

Julio’s newest project is a small private restaurant. Known as paladares on the island, these started in the 1990s with seating authorized for only 12, but recently the number has been increased to 50 (NotiCen, March 3, 2005). At the end of 2011, it was estimated that there were almost 1,500 of these restaurants, the majority in the nation’s capital. On her only visit to Havana in 1999, Queen Sofia of Spain dined on her first night in the country at La Guarida, a bastion of self-employment and good food.

Many self-employed are now trying to profit from their compatriots who receive hard currency from their emigrated relatives or tourists. Their paladares are in some of the most picturesque and extraordinary locations for foreign visitors. Former foreign minister Roberto Robaina, ousted in 1999 and one of Cuba’s best-known self-employed, can be found in his family restaurant—his source of livelihood and where he now exhibits his new vocation: oil painting.

-- End --