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Daniel Vázquez

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Expansion in Private Restaurant Sector Provides Relief for Cuban Entrepreneurs

by Daniel Vázquez
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Thousands of Cuban entrepreneurs, who for the past two decades have maintained their own small restaurants despite government restrictions, can now look to the future with more optimism after President Raúl Castro's regime announced that greater opportunities would be offered in order to grow the culinary sector and that private hands would manage part of what, until now, has been state-run food services.

The Cuban government has announced that it will place the management of restaurants and cafes under private control as part of the internal reforms that began in 2009 and have allowed the increase in self-employment in transportation and lodging, among other sectors (NotiCen, June 28, 2012). The government expects the private sector to absorb the half-million workers who became surplus as a result of the redesign now underway in communist Cuba's voluminous bureaucratic machine (NotiCen, May 5, 2011).

Until last July, 471,085 people were self-employed in the 201 occupations authorized by the government after nearly four decades during which the state attempted to monopolize all services to the population and ensure that all individuals of working age were employed by the state. The result was highly inefficient, unproductive, had little variety in products and services, and even resulted in persecution of those who offered private services.

The current reforms designed to "update" the communist model have been welcomed as a respite for the thousands of Cubans who dreamed of acting on their personal initiative and thus improve their standard of living in a country where the average state salary is around US$20 per month. Popularly, the reforms are assumed to be an acknowledgment that the state's monopoly on labor and production has been a failure.

For five years, Cuba has witnessed the return of privately owned businesses such as barbershops, cafes, and beauty salons that were forcibly closed in March 1968 and demonized by former President Fidel Castro's government. In the name of the communist fight against capitalism, the operation known as the Ofensiva Revolucionaria confiscated about 56,000 small establishments, many of them employing only one or two people.

State property, but under private administration

Officials estimate that 68% of the 11,000 food establishments and services will be turned over to independent management or become members of cooperatives. The government will retain ownership of the premises and may also lease equipment and tools.

Freelancers already manage 11% of the state food and restaurant industry. Thus, about 1,261 restaurants are leased by the self-employed and the other 215 operate as cooperatives. Some 57,000 people are working in these private food services, which account for 12% of the officially registered
self-employed workers on the island. The other 8,984 units are administered by the state and about 2,769 come under the tourism system.

The private restaurants and cafes on the island are usually called paladares, a term that entered the national lexicon in 1994 from the Brazilian telenovela Vale Todo. In that telenovela, the protagonist is a mother of a struggling family, played by the remarkable actress Regina Duarte, who opens a small beachside private food business that grows into a thriving restaurant chain. Since that time, the Cuban popular imagination has been inspired by the story and has assigned the word paladar to almost all private businesses selling food.

The development of the private culinary industry started to become evident in Cuban cities in the 1990s after the fall of the socialist camp. Subsequently, it mushroomed from street vendors of sweets and confections sold in local currency to a growing presence of paladares that seat up to 12 customers, the maximum number permitted by the authorities, and usually direct their offerings to foreign tourists or to Cubans in freely convertible currency.

The result has been the emergence of home restaurants, some highly sophisticated in their menu offerings, location, and decor. Numerous houses converted into paladares are colonial homes or early 20th century mansions, true architectural gems, in the suburbs of El Vedado or Miramar. Another draw is that their vintage decor is true memorabilia from colonial Cuba or capitalist Havana of the first half of the 20th century.

Several of these private restaurants look like movie sets or are located where actual movies were filmed, including the well-known film Strawberry and Chocolate (1993), by Tomás Gutiérrez Alea. From the former Spanish Queen Sofia to former US President Jimmy Carter, many notable people have visited these private Havana restaurants, the closest thing to an emerging capitalist sector amid the monotony and mediocrity of the culinary offerings of state-run restaurants.

Guidebooks and travel supplements in European newspapers often include incentives to venture into those restaurants that show an "alternative" Havana in mansions decorated with 100-year-old furniture, clocks, and fine porcelain along with contemporary paintings. Some of these businesses are managed by actors, intellectuals, former soldiers, or high government officials fallen into disgrace, as well as Cubans with relatives living abroad who serve as sponsors.

Besides the openings of private restaurants in Havana dedicated to Cuban cuisine, one can see others starting up that are devoted to Russian, Indian, Iranian, Italian, Swedish, Mexican, and Brazilian food. These restaurants are trying to attract the attention of tourists from these countries, especially Russia and Italy, and at the same time are seeking to please the local community and foreign diplomats. Such ethnic paladares are a challenge in Cuba where there are many obstacles to importing goods.

The liberalization for self-employment has been accompanied by the September enactment of stricter customs rules and higher tariffs on food items that can be brought into the country. Customs regulations have been met with anger by business owners and the general population, who complain that the local state-run stores are underserved and their products overpriced and of poor quality.

The customs restrictions have been a blow for shops, bars, cafes, hairdressers, and restaurants. "Many of the dishes that we prepared depended on condiments, products, and preserved items
that were brought to us from Miami that are too expensive or impossible to buy in the Cuban state markets," said Leonel, who ordered supplies from Florida at a cost of US$10 per pound. Preserves, cheese, and spices arrived promptly in Havana through Florida agencies and travelers carrying them in parcels.

Independent news sources on the island say that Havana has 400 paladares, 1,000 cafes, and dozens of pastry shops and private bars. "I'd rather go to eat at any private restaurant or bar than those run by the government. That way I help my compatriots and I get better quality at a better price," says Alicia, a Cuban-American who travels annually to Cuba and complains about the high prices charged by the restaurants in international hotels.

The opening up of greater culinary offerings has occurred at the same time as the increase in tourist arrivals in Cuba. In the first eight months of this year, 2,071,533 travelers visited the island, representing a 3.7% increase over the same period in 2013. Regulations favoring the expansion of the private food services are aimed at increasing the quality and variety offered, official sources confirmed.

Ministerio de Turismo authorities expect the country to continue to grow as a tourist destination, not only for its beaches and architectural wealth but also for its culinary traditions (a mixture of Spanish, African, and Chinese styles), which, paradoxically, after almost five decades are still the most popular foods in the old enclaves of Cuban-American exiles such as Miami, Hialeah, and Tampa in Florida or Union City in New Jersey, where there is a greater abundance of products to prepare the finest Cuban dishes than on the island itself.

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