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Economic Readjustments End Egalitarianism and Increase Class Differences in Cuba

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Daily life in Cuba is filled with inconsistencies and extreme contrasts regarding living conditions and access to basic goods—now very different for the millions of citizens who depend on the meager state salary and those who, in contrast, receive money through remittances from the exterior, have private business licenses, or offer tourist services.

After the collapse of the European communist camp and the country’s worst economic crisis in its history during the 1990s, the government no longer repeats, as it did for the past 30 years, the possibility of a prosperous future for everyone. Thus it is abruptly ending one of the essential components of the Cuban project: to promote an egalitarian society, which, in reality, had functioned as a nightmare for some, while others enjoyed more benefits.

In that egalitarian society that denounced capitalism and maintained rigidly programmed five-year economic plans through Soviet subsidies, money was demonized, people were sent to jail if they were in the possession of US dollars, profit for the individual was condemned as backward and bourgeois, and a model of proletarian austerity was advocated that ultimately caused poverty for many.

President Raúl Castro has announced to the public that the government’s productive apparatus is not efficient and that the economic accounting "does not balance." He has taken steps to insert the country into the world capitalist economy and now negotiates with the US, the former enemy and economic empire that former leader Fidel Castro either challenged or rejected. The governmental discourse has changed, but the self-employed still complain of low purchasing power, lack of raw materials, and excessive taxes.

Sluggishness in the outcome of the reforms
The government’s economic reforms are driving the exploitation of land use, the opening of small private businesses, and licensing for various trades. Nevertheless, the government has ended up staying true to itself, remaining slow and with little to show for its efforts, perhaps the result of, as Luisa, a 75-year-old resident of Havana, calls it, "the collective mental numbness" that the Cuban people have been subjected to since 1960 when they were convicted for private initiative or the desire for material wealth.

"Now, the government wants us to build wealth and be economically independent, but I learned about capitalism in the Cuba of the 1950s, and when I tried to make some money in the 1990s selling roasted peanuts, shaved ice, and homemade candy I was fined and they threatened to confiscate my possessions including my refrigerator," remembers Luisa, who says the Raulista reforms have arrived too late for her generation, whose pensions are around US$8 a month.

These different situations, which seem like folk tales of a remote past, occurred within the brief passing of a half century under the government of the two Castro brothers and have mutilated
autonomy and personal profit. In 1967, a large state initiative closed small private businesses and confiscated their production materials—from the shoeshiner’s chairs to watch-repair shops. Anyone who mastered a trade had to practice it surreptitiously, hidden away in their home, or had to work for the state.

It was scarcely 15 years ago, when the buying and selling of houses was prohibited, that the government defended the position that only properties of equal dimensions could be exchanged; any disproportion was judged to be an indicator of profit between those who participated in the interchange of real estate. The supposed transgressors suffered fines and had their properties confiscated. Thus, houses deteriorated and collapsed as a result of the impossibility of selling or trading them because of the government’s rigid stipulations.

Similarly, those who repaired their homes only worked on the interior rooms and not on the exteriors so that they would not draw the attention of the local vigilance organizations such as the Comité de Defensa de la Revolución (CDR) and thus avoid the consequent denouncements. Whoever possessed a little more than their neighbors, a way to obtain more goods, or even more food was under suspicion. The same thing happened in the 1970s when people who dressed in clothing sent from Miami were said to suffer from "political problems."

Now the profound economic contrast is even more evident between those who are locked into the state salaries of US$20 and those who chose to go over to the "enemy"—US—and rejected the official party line against money and the exaltation of proletarian poverty.

"You can't eat ideas," repeats Luisa, a Cuban phrase from the 1990s when she watched Fidel Castro speak continuously for hours in the Plaza de la Revolución but then returned home to an empty refrigerator. The incongruity between the lofty political discourse and the material shortages led Cubans to take advantage of, manipulate, or steal state resources to survive.

In Cuba, it is not unusual for a doctor to earn dollars by moonlighting as a taxi driver or for a dentist to surreptitiously charge in dollars for his services at the state clinic. "They're gifts from my patients," is the typical explanation, but even state-run factories and institutions are exploited by their office workers, employees or professionals, who charge extra or demand gifts or even snacks to do their regular job in an effective or timely manner.

Storekeepers rob their place of business to sell goods on the black market. It is cheaper to buy powdered milk and eggs stolen from hospitals or day-care centers than in the state stores using convertible cash. "I have to live some way," says Sonia, who sells food products stolen from a store where her monthly wage is less than US$10. "The state pretends to pay me and I pretend to work," Sonia repeats a classic island phrase.

Growing contrasts

Not all Cubans are living under the same conditions in these times of post-socialism. A US university professor, who visits Cuba annually for research purposes, summarized the conditions necessary for a family to be competitive: "to be white or light-skinned, live in the capital, have a large house in good condition in a strategic neighborhood, speak English, receive help from off the island, and have contacts with government or military officials in influential positions."

Ana has a four-bedroom house with a garden and terrace that she inherited from her grandparents on one of the most beautiful avenues in the city, just a few blocks from the Partido Comunista.
de Cuba (PCC) offices on the Plaza de la Revolución. She has skillfully avoided having to bribe inspectors and successfully dodged bureaucratic barriers in order to rent rooms. In confidence, she declares that, after paying taxes, making repairs, and paying two cleaning women, her earnings are around US$10,000 a year.

Seventy-eight-year-old Isabel receives money from Miami and Madrid. Thanks to that money, her own country has become a pleasant place to spend her old age: an enormous avocado or mango costs about US$3.00, five pounds of cassava tubers or two pineapples cost US$1. "It's true that the products aren't clean, perfect looking, or in good packaging like in the US stores, but it may be that they are organic, healthier, and taste better." She says that she has visited her daughter in Florida a few times.

To receive US$50 each month from the exterior, to be a taxi driver, or rent out rooms in your own home elevates the quality of life for some families compared with their neighbors, who collect soft-drink cans in the streets to sell for recycling or who work cleaning, cooking, or caregiving in private homes for US$1 a day. The difference in quality of life is based around having family off the island, mastering a trade, or having a house or rooms available to rent out.

Ramona and her daughter have a four-bedroom, 80-year-old house in the El Vedado neighborhood of Havana, where hospitals, theaters, and embassies are located. The house was at the point of being declared uninhabitable and demolished in 2001, but with the governmental authorization for private businesses they were able to rent out a room as a beauty shop and the garage as a mechanic's repair shop. The house has been repaired and the family makes a good living from it.

Today, Cuba is torn between the collapse of paternalism and the implementation of capitalist formulas controlled by a single party. The government will have to convince those who distrust the state for its unexpected changes in direction and its well-established history of total control. At the same time, the "New Man" (an ideal new person defined by Ernesto "Che" Guevara in the 1960s) will have to be re-educated, the one whose drive to generate wealth was stifled and who grew up hating and fearing capitalism, which now is taking root on the island.

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