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Cubans Prepare for Another Period of Hardship, Economic Cutbacks, and Uncertainty

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One year after the reestablishment of diplomatic relations with the US raised expectations of more international visitors and goods, many Cubans are expecting another round of economic setbacks—seemingly confirmed by gas shortages and sporadic power outages—reminiscent of the crisis from two decades ago (NotiSur, Oct. 21, 1993, Dec. 2, 1993, and Oct. 11, 1996).

Fear of a new economic relapse has plagued the island since the 2013 death of Venezuelan leader Hugo Chávez (1999-2013). The fact that his followers can’t maintain absolute power (NotiSur, Feb. 19, 2016, April 8, 2016, and July 8, 2016) increases Cubans’ anxiety that Venezuela will not be able to continue the agreements made with Havana in 2000, which established that Venezuela would provide 90,000 barrels daily of petroleum in exchange for services and specialists like doctors and teachers from Cuba.

For the last three years, Cubans have observed the actions of Venezuelan President Nicolás Maduro and his opposition, and the dropping market price of petroleum, while they strive to remain confident in Raúl Castro’s avowed will to update the island’s economic model, clean up finances, purge excess state employees, renegotiate Cuba’s debt with international creditors like the Paris Club, and develop relations with the White House.

At the end of 2014, there was a certain optimism that lasted until just a month ago, fed by the increase in US travelers, the growth of self-employment in the lodgings, transportation, and restaurant sectors, and the expectations that foreign capital investments would materialize as the result of renewed interest from the US government and US businesses. That environment gave a certain sense of freedom and glamour to the arrival of entertainment and fashion celebrities for tourism or business.

That optimism ended in July, when Raúl Castro announced that growth during the first half of the year had barely reached 1%, that the state coffers lacked liquidity, and that the reduced availability of oil had led to 50% cuts in fuel allocations and new regulations for some state institutions. To save electricity, many of those institutions have been asked to reduce office hours, the hours open to the public, and air conditioner usage.

Dissatisfaction with reforms

For many Cubans, the possibility of a relapse has been foreshadowed for months by food shortages, the lack of basic goods in the state stores, a reduced sugar cane harvest (19% smaller than the 2014-2015 harvest), the drop in nickel prices (one of Cuba’s major commodity exports), and government dissatisfaction with agricultural yields, despite attempts by Castro to encourage production by granting farmers the usufruct of land.

The increase in the number of Cubans migrating to the US throughout 2015 and 2016 has been interpreted as an expression of the apprehension that the Cuban Adjustment Act (CAA) will end...
along with the other migratory privileges that Cubans arriving in the US have had for a half century (NotiCen, Sept. 24, 2015, Dec. 10, 2015, Dec. 17, 2015, and Feb. 11, 2016). Also, according to statements made by Cubans en route to the US through Ecuador and Central American countries, the increase is also the result of a negative perception of Raúl Castro’s management of the country.

Tensions in Venezuela have put a stop to travel there by Cubans who had opted to work in the South American country to improve their own economic situation after they were sent there by the Cuban government as aid workers. Javier, a physical therapist, said he had refused to work a second year in Venezuela as a health specialist.

“The economic situation in Venezuela is very difficult,” he said. “[They] lack food, we can't save any money, we are terrified of robberies and assaults, and we live in a type of permanent alert in case we have to quickly abandon the country because of an emergency resulting from the internal tensions.” His new plan is to try to leave for the US with the money he managed to save from his time in Venezuela.

In addition, Ecuador’s reestablishment, in December 2015, of a visa requirement for Cuban visitors is limiting one route for the exodus. Ecuador was a stopover point for Cubans heading to the US. Some even settled there, working for a time and making short trips back to the island carrying goods in their personal luggage—mainly small electrical appliances and clothing that helped meet the needs of their families and provided income through sales on the black market.

Other Cubans fear for their economic stability due to their dependence on income from family members who have been sent to Brazil. More than 1,600 physicians are estimated to be in Brazil participating in a program known as Más Médicos (More Physicians), promoted by suspended Brazilian President Dilma Rousseff, a close friend of the Cuban government. In the streets of Cuba, people now speculate about whether that program will continue or whether the doctors will be sent home if Rousseff is forced out of office permanently.

The past 18 months in Cuba have been mixed. There are those who feel optimistic that the island has entered a new era and therefore believe that it is a good bet to buy properties and open hostels or restaurants or rent rooms through Airbnb (NotiCen, March 26, 2015). Others, instead, believe that the current hierarchy, composed of Castro’s potential successors in the military and figures who have been in power for decades, leaves no room for profound change.

A Cuba different from that of the ‘Special Period’

There are fears that cuts in fuel supplies could lead to power outages of several hours a day, as were typical in the 1990s, when electric service was so limited that people began using the word alumbrones for the hours when there was electricity. The word means “short bursts of light,” and the opposite of the more traditional apagones, or power outages. But today’s Cuban society is very different from that of the “Special Period in Time of Peace,” the government’s euphemistic phrase for those years of scarcity.

In the 1990s, Fidel Castro found himself in charge of a nation without its usual subsidies from the communist camp, especially the former Soviet Union. In 2015, more than 3.6 million people visited Cuba, and according to the Havana Consulting Group, remittances totaled nearly US$3.4 billion.

Other variables come into play that make Cuba’s current landscape quite different. Since 2011, Cubans have been permitted to sell cars and houses to raise money without the fear of confiscation...
by the government, and they now can have passports that allow them to leave the island without losing their status as permanent resident there. Until January 2013, Cubans were only allowed 11 months of personal travel without losing residency. All of this has established a flow of travelers, goods, and money unseen for more than 20 years.

Far-reaching changes have happened on the social level as well. Now there is a better flow of information, internet access, messaging, and communication with the world outside. The population is more occupationally active, no longer totally dependent on the state for employment, nor are they a workforce mobilized by trade unions and the Communist Party. A new generation has grown up with the material shortages of the 1990s as well as with a skepticism and distrust of official propaganda.

Journalist Karina Marrón, deputy editor of the official daily, Granma, warned in early July that the government could not allow power outages like those in the 1990s to return. The statement, made during a forum of official journalists, was leaked to the press and showed the official press’ concern about the impact that a new period of restrictions could have. Vivid memories of the 1990s remain: malnutrition, diseases, suicides, mass departures, and general deterioration.

“This government is maintained by fear and the people’s inertia,” a 20-something man said without a trace of inhibition as he stood in front of the Habana Libre, the old Havana Hilton, on one of the busiest corner of the city. “Now the government comes back with the same story of poverty and new cut backs ... The same ‘rerun’ again.” He was with a group of friends, who laughed as he spoke. It was a skeptical, sarcastic statement made out loud, in public, that would have been unthinkable, even foolhardy, 20 years ago.

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