

**MODERN SLAVERY:  
LABOR CONDITIONS IN CUBA**

**Efrén Córdova**  
**Eduardo García Moure**  
with an introduction by  
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## Executive Summary

- Efrén Córdova, the foremost historian of Cuba's labor movement, outlines the major developments in the relationship between Cuban trade unions and the Communist state, as well as changes in work conditions and labor legislation in the aftermath of the 1959 revolution.
- Córdova notes how little workers have benefited from the Cuban Revolution. Despite the positive reception that Cuba's organized labor gave to the initiatives of the revolutionary government and the accomplishments of the first year, difficulties and complications soon set in. By the time of the Cuban Labor Confederation Congress (CTC) of 1961, workers gave up many of the rights they had achieved. The first fifteen years of the revolution were characterized by extraordinary feats, new sacrifices, and contributions by workers.
- While the new Socialist Constitution adopted in 1976 declared that the state was created to carry out the will of workers, these could see that the revolution had conceded them very few rights, that their well-being in terms of income and opportunities had not appreciably improved, whilst the regime continued to appeal for more sacrifice and increasing efforts. The Labor Code of 1984 seemed to emphasize labor discipline over worker rights as well.
- From the beginning of the revolution workers suffered from low salaries and lengthy workweeks. The regime was interested in capital formation and increasing labor productivity. The government simplified the salary scale and froze wages. Bonuses and other salary supplements hard won by labor unions before the revolution were eliminated, as was over-time. The austere pay scales were paired with constant exhortations from the revolutionary leadership for harder work, longer hours, volunteer labor and mass mobilizations (especially for agricultural work and the sugar harvest). These calls for voluntary labor included women and children. Córdova notes the hidden agenda behind austere wages and long work hours: to extract more value from Cuban workers, approximately \$2 billion from voluntary labor alone.
- The main modifications to the system entailed a debate between moral and material incentives for workers. Although the two systems ended up coexisting with one another, there were times when one was emphasized over the other. The main objective was to obtain the greatest possible economic yield while maintaining mechanisms for discipline, reward and punishment.

- Córdova notes that under such conditions, strikes and protests would have been expected, yet the regime did not permit any show of opposition. In light of the authoritarian nature of the regime and the presence of state security, workers turned to passive resistance and a lowering of output. It is possible that some are content with the social safety net and the artificially sustained quasi-full employment, but Córdova believes that Cuban workers have opted for passive resistance, self-employment, illicit activities, or exile. Córdova concludes that the only tangible benefits he sees for workers was coverage by social security and maternity leave.
- There have been efforts in recent years to form independent unions and there are nearly a dozen such groups, none of which is recognized by the government. The CTC, Central de Trabajadores de Cuba, the only recognized union is not a legitimate workers' organization --- is an appendage of the government and the party. It has never been a forum for open discussion, proposals or alternatives to the official line. It serves merely as a transmission belt for the slogans and production plans of the regime. Delegates unanimously approve the policies prepared for them by the party.
- The government has taken a number of measures to address Cuba's difficulties during the recent "Special Period." These include the option of reassignment to agricultural work or receiving a token unemployment benefit, the creation of Basic Units for Cooperative Production (UBPCs), and the authorization of limited self-employment.
- The government also began to encourage foreign investment. Many Cuban workers found work in these enterprises but suffered the iniquity of receiving their salaries in pesos although the foreigners pay the Cuban government in dollars for their services. For example, foreign companies pay the State \$100 U.S. dollars for a worker per month; the worker receives 100 pesos. The value of each dollar is equal to 20 pesos, therefore, the worker is receiving only 1/20 (5%) of what he should receive. The State pockets over the rest. Workers are also hired and fired by the State. Free contract of labor is only permitted in Cuba under very strict and unusual circumstances
- After forty years of revolution, the greatest problem affecting the majority of workers is how to generate a modest salary to survive in an almost bankrupt economy.

- Eduardo García Moure presents a report on the current status of workers in Cuba set in the context of the island's economic crisis and of international political and economic trends.<sup>1</sup> García describes the state of the Cuban economy and concludes that the regime is leading the nation backward into underdevelopment thereby condemning Cuban workers to social, economic, and political marginalization. Socio-economic development is held back by the immobilization of the totalitarian political leadership and by the state bureaucracy. The structural crisis permits neither sustainable development, the creation of a productive entrepreneurial class, or decent salaries and benefits for workers. The Cuban people also face a double isolation: an external economic embargo and an internal political embargo. The Solidarity of Cuban Workers, STC opposes both embargoes as they impede the development of the people's potential and keeps them dependent on the state.
- Another consequence of the policies of the Castro regime is that Cuba is being left behind in the global technological revolution. This is true especially in the areas of computers and communications, sectors fundamental to the improvement of productive capabilities and competitive capacity in the international market. The policies compromise the future socio-economic development of the nation.
- Salaries in Cuba are the lowest paid in the hemisphere (including Haiti). The social benefits that at one time compensated for the lower salaries, such as health care, education, full employment and social security, have deteriorated considerably. The economic crisis has also created social contradictions and injustice, with those who have access to dollars and the vast majority that live in the peso economy. According to recent studies, 20% of the population lives in the dollar economy, while 80% lives in poverty and social marginality.
- The regime is unable to resolve the impasse because it fears the potential effects of an opening and of the independent creativity of the Cuban people. The limited reforms that have been undertaken have resulted in improved productivity. Material incentives, the entrepreneurial abilities of self-employed workers, the production of independent farmers (17% of the

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<sup>1</sup> The report represents the views of the **Solidarity of Cuban Workers** (*Solidaridad de Trabajadores Cubanos* - STC), a trade union organization formed in 1964 as a revolutionary, democratic, and independent expression of Cuban workers in order to support its members and the cause of independent labor unions in Cuba. It is currently based in Caracas, Venezuela.

agricultural workforce, but produce 80% of fruits and vegetables), and the activity of the dollar sectors demonstrates the ingenuity of the Cuban people.

- The workweek in Cuba is 48 hours. That does not count the hours required to commute to and from the job due to the disastrous state of public transportation. Workers can face job discrimination based on ideological, political or racial reasons. Cubans endure an *apartheid* system in the use of public accommodations. Many areas are restricted to foreign tourists, those with dollars, or to government officials.
- Cuban government employment agencies exploit Cuban workers. The regime serves as a labor contractor to foreign companies who purchase the service of workers in dollars. The Cuban government in turn, pays the workers in pesos. The foreign company is assured of a docile, disciplined, and loyal workforce.
- The Cuban Workers' Central (*Central de Trabajadores de Cuba*) is the only legal workers' organization. It is a mass organization under the control of the Cuban Communist Party. Independent labor groups are illegal. Cuba violates numerous international conventions on labor and workers' rights. There is no freedom of association, right to organize or to collective bargaining between labor and employer (the state). In effect, there is no right to strike. Cuba also uses forced and coerced labor as well as child labor.

## **Introduction**

“On the 40<sup>th</sup> anniversary of the revolution, the most pressing problem affecting a majority of Cuban workers is how to survive,” concludes historian Efrén Córdova. One of the most persistent ironies of Communist systems, championed as so-called workers’ paradises, has been the deplorable labor conditions and the few benefits derived from them. Undoubtedly, the ultimate irony of Communism was the vital role played by independent union movements in Poland, grouped under the banner of Solidarity in undermining and later overthrowing the party-state in Europe.

This issue presents two perspectives of labor conditions in present-day Cuba, one by the historian and teacher of Cuban labor movements, Efrén Córdova, and the other, by activist Eduardo García Moure from the organization Solidarity of Cuban Workers. Both are unflinching in their condemnation of the Castro regime and the official Cuban Workers Union (CTC), an appendage no less of the Communist party. Córdova describes the forfeiture of worker rights and the accomplishments of decades of union activism during the initial years of the revolution. He details the sacrifices, voluntary work, excessively long work days, and inordinate effort demanded by the revolution’s leadership of workers, who saw their rights stripped away day after day while laboring under conditions of exploitation not seen since colonial times.

García Moure, whose report is based on research conducted at the CTC’s Center for Documentation, Information, and Training, draws a disquieting picture of the socioeconomic crisis afflicting the country, laying the blame mainly on the inflexible nature of the totalitarian regime, which though responsible for the centralized economy’s one-party system now hesitates to implement the reforms needed to emerge from the crisis out of fear of losing political power. The author goes into greater detail, describing the crisis’ macroeconomic characteristics and their impact on the daily lives of Cuban workers. Two of the work’s conclusions are of particular importance: first, that the present government is forcing the nation into “backwardness and workers into economic, social, and political impoverishment.” The second disturbing conclusion is that the

government's policy is isolating Cuba from global technological and socioeconomic changes, leaving Cuba at a great disadvantage in a world driven by efficiency, information, and competitiveness. It can be concluded that every day Cuba isolates itself and is isolated is time lost.

After a brief honeymoon between Cuban labor movements and the revolution, well documented by Córdova and others, Fidel Castro installed the Marxist-Leninist model in which the only labor organization would be controlled by the party and act as a "transmission belt." The Cuban worker's exploitation would worsen with time, while independent unions refusing to yield either went into exile, were thrown into prison, or died by firing squad. While the state propaganda apparatus praised the vanguard worker (Stakhanovita during the Stalin era), it gradually stripped away hard-won rights and even the dreams promised by Marxism.

The situation of workers has turned out to be extremely difficult with the state becoming the exploiter of the workers. The initial euphoria, Castro's mesmerism, and the rune of heroic feats, turned into terror, pretense, and complacency with the coercive compact ("social accomplishments" in exchange for freedom). The government, meanwhile, proceeded to extract everything it could out of workers with long work days, puny wages and endless mobilizations.

The problem of accumulating socialist capital in its primitive form has been resolved by coercion and exploiting the workforce through material and moral incentives. The Communist system existed in a capitalist world in which dollars were needed for development and to purchase western goods and technology. This strategy soon reached its limit, however, rendering it necessary to acquire enormous subsidies, assistance, and loans from Cuba's benefactor, the Soviet Union (a total of 60 billion dollars, according to Carmelo Mesa Lago). Enormous amounts of money were wasted on the chaotic execution and erratic planning of Cuba's political economy and vast sums injected into the regime's hyperactive foreign policy. The worker voiced his opposition and enervation through what James C. Scott calls "daily forms of resistance." One well-known solution

has been to leave the country definitively. The Cuban exodus now reaches some 2 million people, approximately 15 percent of the population or more than one out of every seven Cubans. Two things cannot go without mentioning: the important role played by labor activists in taking a stand against the Castro dictatorship in the island and from exile, and the heroic work of independent unions, which have resurfaced in the past few years under repressive, apathetic conditions.

The exploitation continues with more than 80,000 Cubans sent into the Socialist camp, a practice still witnessed today by the deployment of solidarity missions to third-world countries. Thousands of Cuban workers – physicians, coaches, musicians, dancers, and others – work abroad through onerous contracts in which the Cuban government charges for their services in dollars, keeping up to 60% of their salaries.

The treatment received by citizens is also apparent in the country's interior. Cubans who work in the dollar sector, in tourism, or with foreign or mixed companies are hired by foreign firms through the employment agency ACOREC, which guarantees a docile, disciplined, and loyal workforce. ACOREC is paid for each worker in dollars, while the worker is paid in worthless pesos. The government's cut is 90 to 95%, a barbaric example of squeezing the most out of a worker that not even Karl Marx himself could have imagined. Even the dollars some have access to are quickly sponged up by the government's dollar stores in an effort to compensate for the meager food quota provided by the rationing books. Exploitation of the worker as a producer of dollars extends to another area of the Cuban economy in which the foreigner comes into contact with prostitution, drugs, and the black market. Even prostitution contributes to communism's coffers by making tourists cough up dollars on tropical pleasures, in discotheques, and dollar stores. Family remittances from abroad, probably the main source of income for the island's decrepit economy, are also helpful in getting by. Many Cubans prefer these degrading conditions to the fruitless attempts by others to survive in the tenebrous world of the national currency.

Both authors agree that neither traditional productive measures (sugar, nickel, tourism) nor “extractive” strategies suffice to achieve healthy socioeconomic development. Only two things are accomplished: the people’s survival and the Communist elite’s continued grip on power – all of it in the context of economic, ethical, moral, social, and political degradation. Exploitation of the Cuban worker cannot be justified in terms of socioeconomic development or temporary sacrifices in order to reach a higher goal. Forty-one years later, and the regime continues to show that it intends to remain in power at any cost. The state’s alleged achievements have come at the expense of the worker and peasant, while the resources go to support the repressive security apparatus and police.

Both works presented here make an enormous contribution to history and an analysis of the exhaustion of the Communist economic model and the worker’s betrayal by the Castro regime.

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## **Labor Conditions in Revolutionary Cuba**

Efren Córdova \*

One of the most outstanding and paradoxical characteristics of the Cuban Revolution has been the few benefits derived from it by the worker. From the outset, Castro alluded to past injustices and invoked the interest of the working class as the target for his plans and promises of well-being. The first year was marked by a flurry of offers and predictions, often extravagant in regard to the wonderful destiny awaiting workers and peasants. Certain labor benefits were implemented in 1959, but by the following year difficulties and scarcities were starting to be announced. Conscious of an imminent geopolitical change, of the social price of transition, and the certain impact of the revolution's other objectives, Castro warned the Cuban worker of the sacrifices that would inevitably have to be made in the near future. In fact, in November 1961, the 11<sup>th</sup> CTC Congress witnessed the loss of acquired rights by the working class. A few months later, the rationing system was installed that would so deeply affect living conditions. The worker had in fact begun early on to experience hardships both as consumer and producer.

However, this was also a time of tremendous euphoria, with Castro taking advantage of it to steer the revolution into unforeseen levels of collectivization. So compelling were the promises and so profound the patriotic sentiment awakened by Batista's fall that the working class was willing to accept the inconveniences, reverses, and hardships. Furthermore, the first 15 years of the revolution are replete with labor feats, the loss of more rights, and major contributions on the part of workers. However, it must not be overlooked that some groups from the lower strata of society had actually improved their lot compared to before. For many, the ghost of unemployment vanished for some time, seemingly overshadowed by what I have on other occasions called "quasi full artificial unemployment"; that is, the deceit of inflated personnel. Others found

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comfort in free medical care and education. And there were even those who, harboring feelings of hatred and envy, found the increasingly clearer policy of “equalizing from below” to be correct.

The years went by, however, and when the Socialist Constitution was adopted in 1976 and it was declared that the State existed to carry out the will of workers (article 9), workers could now be certain of several things: first, that in that Fundamental Law had been institutionalized very few rights in their favor; second, that their well-being in terms of earnings and benefits had not experienced any appreciable improvement; and third, that the regime continued to appeal for greater sacrifices and demand more effort. Only six of the Fundamental Law’s articles were devoted to labor, one of them demanding maximum effort of unpaid voluntary labor for society’s sake and another reinforcing work discipline. The labor code, which was not adopted until 1984, would attempt to tighten labor discipline even more (65 of the code’s 308 articles refer to this) and to ratify Castro’s little interest in recognizing workers’ rights. During the period, the wars in Africa and mounting subversion in Latin American made many realize that the issue of proletarian internationalism and the enhancement of Castro’s image were the revolution’s primary objectives. That these objectives were being carried out at the worker’s expense can be proven by examining the content and direction of the labor situation in Cuba.

### **Work Conditions**

On the question of salaries and work hours, it was clear from the beginning that Castro’s labor regime was not going to be favorable to the worker. The government was too preoccupied with increasing capital and labor productivity that high salaries and long periods of rest were out of the question. Beginning with the very first regulations, the goal was to reduce the salary umbrella by establishing only a few categories or groups for those who set salary scales, while simultaneously flattening the salary pyramid, widening the gap between the lowest and highest salaries. It was believed that this would simplify the administration of salaries while paying tribute to Castro’s egalitarian plan for the country. Salary scales were established with great austerity, which, in some measure,

helped increase social funds meant to satisfy the people's needs -- but also the amount of money available to the commander-in-chief to finance his security apparatus and far-flung exploits. Contributing to these objectives was the suppression of several salary supplements that existed prior to the revolution and which were the product of efforts to secure rights by pre-Castro unions. Even the supplement, which everywhere helped compensate for the exceptionally long number of hours worked, stopped being paid; the same often occurred with vacations that were never enjoyed.

Even though those who had salaried positions before 1959 were spared the rigidity of the new salary system, the salaries they had been allowed to continue enjoying were eventually frozen and gradually disappeared. Around 1970, the average monthly wage was 108 pesos, far below the pre-revolutionary wages existing at the time.

Coupled with the austere way in which salaries were planned was the ever-present requirement that the revolutionary leadership demand more effort of workers whether by extending the normal hours of work, by means of voluntary work, or by mass mobilizations for agricultural activities, especially the sugar harvest. This demand sometimes assumed an obsessive character on the part of Castro and his collaborators. It was directed not only at the male workforce but also women and children. Just last year 4,400 secondary students were mobilized for the tobacco harvest in Pinar del Rio. There was also emphasis on night work, constant reminders to follow plans and rules, and the exaggerated manner in which socialism was followed. The consequences of excess work on the worker's health did not matter. At the 16<sup>th</sup> CTC Congress, Castro railed at those who dared to insinuate that long shifts affected health, labeling them worms, spineless, and pseudo-revolutionaries.

An attempt was made to justify low wages and long days by invoking the austere character of the revolution, the need to make sacrifices because of the imperialist blockade, and Cuba's underdeveloped condition. No mention was ever made of the hidden agenda that absorbed a large part of the wealth generated by workers. From voluntary work alone, Castro probably garnered more than 2 billion dollars. And it was

with regard to this type of work that in 1993 the International Labor Organization demanded the total eradication of its coercive aspects.

Throughout the years, the main modifications to the system were associated with the emphasis that should have been given to moral and material incentives. Although the two would eventually coexist, it cannot go without mentioning that around the year 1970, there were 26 different medals and orders (work heroes, national vanguards, provincial vanguards, outstanding worker, etc.). The ultimate objective was to obtain the maximum amount of output possible, combining stimuli with discipline and punishment. Over time, these elements grew in importance, culminating in the Base Law on Labor Justice Organs (1992) and regulations pertaining to specific sectors (one on tourism includes 22 obligations and 46 prohibitions).

This situation eroded even more during the period of rectification of errors. Castro was not pleased with the weight given by the Economic Management and Planning System to material incentives and decentralization of economic management. He also suddenly realized that companies were overstaffed and even though in a totalitarian regime mistakes can only be committed by the supreme power, the worker was blamed for the economy's flaws. The result was a renewed emphasis on moral incentives, more pseudo-voluntary work, a more rigorous work atmosphere, downsizing, and more advantageous use of the workday.

One would think that in this situation there would have been strikes and protests in Cuba, but this has not been the case. Faced with the authoritarian nature of the regime and the repressive security apparatus, many workers opt for passive resistance and a reduction in output. It is also possible for others to content themselves with the guarantee of a social net and quasi-full employment. However, though the supply of medicines has dwindled and education has never been entirely free, given the number of jobs demanded of the student, not one strike has been called nor has there ever been a concerted effort to protest. Some find relief in self-employment and illegal activities while others have chosen the relentless exodus that is bleeding the country.

It is fitting to conclude this section by saying that the only areas that in my opinion have shown tangible progress for workers are social security coverage and maternity leave.

### **Labor Relations**

The picture of collective labor relations in Cuba can be summarized in one word: immobilization. In 1960, Castro did away with the free union movement, forbid the creation of independent unions, and imposed the monistic union model. Forty years later, the situation is exactly the same: the formation of unions that are not part of the official and useless CTC is prohibited. There have been efforts to organize independent unions, with about a dozen groups now existing that call themselves confederations, federations, unions, and unitarian workers' councils. None, however, are recognized by the government. Their leaders are arrested or harassed almost continuously, and their organizations are merely blueprints of unions or failed attempts. There even exists an umbrella organization, the United Force of Independent Union Organizations, that includes eight different entities, whose existence is hampered by both official repression and the fear or indifference of the masses.

The CTC is not a legitimate workers' organization but an appendage of the government and the Communist Party. It has never been a forum for open discussion, criticism, proposals, or alternatives to the official line. At none of its meetings have demands ever been proposed or complaints lodged; it only serves as a sound box for the regime's demands and a transmission belt for political watchwords and production plans.

Delegates to the CTC congresses systematically approve by unanimity issues prepared beforehand by government departments and the PCC. At one of its last meetings, the CTC agreed to support the official policy of assigning to state companies the economy's responsibility despite the paralysis afflicting those companies. The CTC does not negotiate with or adopt conflicting attitudes toward foreign or mixed companies;

its mission is to guarantee labor peace, keep foreign patrons happy, and supply more workers when others are laid off.

Although the constitution reserves certain jurisdiction over the CTC, in practice, no one counts on union bureaucracy to make decisions. The function of the Executive Committee is limited to supervising leaders and cadres, while the latter are responsible for worker discipline.

### **The Special Period**

The so-called special period in times of peace inaugurated by Castro following the disintegration of the socialist camp meant more sacrifices for workers. Despite food shortages, blackouts, and a transportation crisis, this period heralded the return of unemployment that the Socialist Constitution had claimed to have eliminated (article 45). Despite the euphemisms used by the government to masquerade the actual situation (temporary layoffs, excess labor, available work), the threat of mass and long-term structural unemployment has hovered over the working population ever since.

To redress this situation, several measures were adopted: 1) Workers were given the option of either being mobilized for agricultural work or receiving token unemployment benefits. 2) In 1993, the Basic Units for Cooperative Production (UBPC) was created, whose membership reached 142,000 within five years. The UBPC were mediocre cooperatives whose measures did not appear to be very successful. 3) Around the same period, limited self-employment was authorized. More than 200,000 workers became registered self-employed workers, but the restrictions imposed on them soon stopped their growth.

Awarded by a dramatic decline in the economy, the government opened the doors to foreign investment and offered all types of advantages, some of them bordering on those championed by neoliberal philosophy. While many workers found work in these companies, they suffered the injustice of being paid in worthless pesos while the

government was paid in dollars. The duplicity has been immense, but neither the CTC has complained nor have there been signs of protest.

The bulk of manpower continued working in the meantime in the bankrupt state companies. Although the government provided certain stimuli for those who worked in emerging sectors (tourism, nickel, and tobacco) and centralized companies (for which there are 18 different salary categories), workers suffered the double indemnity of the national currency's devaluation and the economy's increasing dollarization. In 1999, the mean monthly salary was 150 to 200 pesos, that is, between 7 and 10 dollars. In 1998, a salary scale of 128 to 325 pesos was established for technical jobs, supplemented by a bonus not to exceed 20 pesos based on job performance. Social security payments, which accounted for 50 percent of wages, fell dramatically. On the 40<sup>th</sup> anniversary of the revolution, the worker's most pressing problem is how to survive.

## **Conditions of Workers in Cuba**

Eduardo García Moure \*

Solidarity of Cuban Workers (STC), which has its overseas headquarters in Caracas, has created a Documentation, Information, and Training Center (CEDOF) that specializes in the socioeconomic issue of workers and their organizations. We believe an analysis of this situation is necessary and, along with businessmen, intellectuals, university students, and politicians, are willing to conduct such an examination.

### **An Analysis of the Situation Requires a Conceptual Framework**

We at the STC, whose Secretary-General Heriberto Fernández is with us today, are convinced of the existence of an interrelationship among socioeconomic development, democratic political stability, and the situation of workers and their labor movement.

These beliefs are based on a humanistic, democratic, and social concept of man, society, and experiences. Countries with greater socioeconomic development and political democracies maintain strong, active unions, collective hiring, social dialogue, and an alliance among businessmen, workers, and the government.

In June 1999, 150 delegates from civil society in Europe, Latin America, and the Caribbean, representing business organizations, unions, and myriad activities, debated ideas and interests and agreed by consensus to submit a proposal for integration to the Summit of Heads of State premised on socioeconomic development, political democracy, and the participation of independent organizations in civil society.

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These are the same criteria and objectives of the European Socioeconomic Council, MERCOSUR's Socioeconomic Forum, the Andean Labor Council, the Central American Integration System, and Caribbean integration processes (CARICOM and AEC).

### **Objectives and Aspirations of Peoples and Nations**

Beyond the diversity of beliefs, cultures, situations, existing social contradictions and the world's ideological-political plurality lie common objectives and aspirations whose general principles are the following:

- A democratic civil society that respects human rights and pluralism in which the market, government, and civil society, with the active participation of labor organizations, come to play.
- Autonomous economic development policies and programs supplemented by subregional and regional integration processes that take into account the globalization process.
- Social distribution policies that promote people's access to productive employment, and fair and adequate salaries allowing them to satisfy their basic needs and have access to the goods and services market.
- Education, knowledge development, transportation and communications, health and social security policies.
- A government that fulfills its role as guarantor of the common good, one that regulates and establishes norms for society, and serves as guardian and protector of the weakest in order to assure human and civil rights, justice, and peace.

In the labor world, this translates into a productive national business class, one that is strong and dynamic; representative, independent unions; a democratic state; and an alliance among businessmen, workers, and government in which individual interests are expressed, respective roles are carried out, and policies for the common good are designed.

We do not believe in the communist vision of the state nor the neoliberal vision of the market. Both have tried to impose one thought, and both have failed.

*A preliminary conclusion.* The current direction of the Cuban government, guided by Marxist-Leninist thought and a one-party system, with a centralized bureaucratic economy, mass organizations, and the Single Workers Union (CTC), dependent on the Party and controlled by the state security apparatus, runs contrary to society's evolution and is causing our nation to regress and forcing our workers into social and political economic impoverishment.

### **The Cuban Economy is in a Structural Crisis**

Despite promising announcements concerning the state of the economy (reminiscent of the promises and failures of Stalin's five-year plans), the truth is that the Cuban economy is in a structural crisis.

For the past year and a half, we at the STC, in cooperation with qualified Cuban economists and sociologists, have conducted a study, an assessment of reality, and have drafted an alternative socioeconomic proposal. Unfortunately, the government continues making the same mistakes out of fear of an opening and the independent creativity of the Cuban people.

### **Current Source of Income**

- *The sugar harvest for the period 1999-2000*, which, at best, will reach 4 million tons (200,000 more than last year). The sugar harvest is important for creating jobs, but the competition posed by increased production in the United States, Europe, and certain Latin American countries, as well as the production of genetically produced foods, will reduce earnings from this sector.
- *Family remittances from abroad*, estimated between 1 billion and 1.2 billion dollars annually and expected to increase.
- *Tourism*. Official data indicate some 2 billion dollars in gross earnings. However, as pointed out by the experts, if one takes into account dollar-denominated expenditures and the fact that tourism packages are sold abroad by the capitalist

countries that run the hotels, actual net earnings amount to only 20 percent of that figure, or 400 million dollars.

- *Nickel production.* While the government talks about increased production, we know that the international price of the mineral has fallen dramatically and there have been difficulties with Canadian partners.
- *Tobacco.* The difficulty in reaching goals and meeting production obligations is well known.
- *Cuban agriculture,* which in 1959 occupied a prominent position in Latin America, has plunged into a deep crisis. Eighty percent of foods and vegetables, according to Lage, are produced by the private sector. The AGROFAR – military farm units – produce for themselves and their families exclusively. An estimated 68 percent of lands belong to and are run by the government farms that control key crops (sugar, citrus fruits, coffee, and tobacco); 15 percent, agricultural cooperatives (also government-controlled); and the remaining 17 percent, micro- and small-sized businessmen who are the ones who keep people supplied, according to Lage.
- *Imports and exports.* The weakest aspect continues to be the relationship between imports and exports. The country is currently running a trade deficit of 2.7 billion dollars, based on imports totaling 4.3 billion dollars and exports of 1.6 billion dollars
- *Foreign debt.* Our foreign debt currently stands at 12.3 billion dollars with the Paris Club and 20 billion dollars with countries of the former Soviet Unions.
- *Earnings from manpower sales.* Another aspect of our economy is the sale of Cuban manpower to other countries (teachers, doctors, athletes, artists). Although these people are hired by governments and businessmen, a large portion of their salaries is paid to the government. Many people strive to secure these assignments in order to leave the “communist paradise” if not definitely, at least temporarily.
- *Workers who are self-employed or participate in the parallel market.* Cuban workers spend most of their time “getting by” in the parallel market, selling goods and merchandise acquired in the workplace and sold through Socialist connections.

Insufficient and inefficient transportation, blackouts, and the deterioration of facilities and machinery exacerbate production and, in turn economic productivity and profitability.

*Second Conclusion.* The economy is in a deep structural crisis that does not allow for sustained development, the creation of a productive Cuban business sector, nor the payment of worthwhile salaries or social benefits.

### **The Government Is Isolating Cuba from Scientific-Technological and Economic-Social Changes**

Cuba is becoming isolated from scientific-technological changes in the field of computers and communications, which are the driving force behind the productive process and the ability to be competitive and profitable in the international market.

It has been demonstrated that the ability to compete does not depend on cheap manpower, but rather on the technological and methodological capacity of the productive process. What Cuba offers is "geographical location," "efficient, ideal, and cheap" manpower, and "social peace" (without collective hiring or social conflicts or strikes).

*Third Conclusion.* Our scientific-technological policy is causing us to fall behind in the present and compromises our future.

### **Political Isolation**

The Cuban people are suffering the repercussions of a dual isolation: that of an unacceptable, inefficient external embargo and repressive internal embargo. The ability of governments to resolve this conflict and their repressive capacity vis-à-vis the people affects economic and social development.

This external and internal isolationism, to which we are opposed, prevents the people from developing their potentialities and makes them more backward and dependent on the government.

### **Social Injustice and Ethical-Moral Deterioration**

Within this economic framework, Cuba has the lowest wages of any country in Latin America, including Haiti. Social benefits, which at one point included such salary perks as an education, health coverage, full employment, and social security, have deteriorated markedly.

Each aspect is in a deep crisis that creates contradictions and serious social injustice in which the bureaucratic and political minority linked to international capital lives in the dollar economy while the majority of the population and workers are paid in pesos. Data indicate that more than 20 percent of Cubans have managed to survive through the dollarized economy and connections with the government elite, while the other 80 percent live in extreme poverty.

The result is absenteeism, lack of social and work discipline, apathy, and corruption, all of which create an ethical-moral problem in Cuban society and especially in economic-social relations.

*Fourth Conclusion.* Exploitation of the worker by the bureaucracy. Social justice, immorality.

### **Totalitarian Obstinance**

- What affects economic-social development the most is totalitarian and bureaucratic inflexibility.
- The few openings that have taken place illustrate the initiative capacity of the Cuban people, the accomplishment of results, and the rejection of intervention by government bureaucrats.

Increased labor productivity because of incentives, the business acumen of self-employed workers (small family-run businesses, property rentals), the output of independent peasant farmers and military farms, the creativity and productivity of those receiving stimulation in the dollar area and in the parallel market are examples of Cuban's entrepreneurial capacity.

*Fifth Conclusion.* There can be no solution to the economic crisis and social deterioration as long as there are no freedom and political democracy, which allow the Cuban people to express their ideas and develop their abilities.

### **Actual Data**

*Employment.* An estimated 10 percent of structural unemployment is disguised with the names of those who receive subsidies and those who do not. No data exist on the number who work in the informal sector and the parallel market.

Unproductive, fictitious employment exists, with no motivation or promise for the worker.

According to Lage, the problem is more acute in the four eastern provinces. Construction, transportation, light industry, and ports have been affected the most. Although the introduction of new technologies, as Lage explains, would create jobs for some plant workers, factories would have to be upgraded or they would eventually be closed, creating yet more unemployment.

"Technologies with more productivity," Lage said, "help generate more income for the country, while at the same time reducing the number of jobs, aggravating the critical labor situation even more."

Lage ended saying that the national dilemma as far as labor and employment "will be resolved once and for all when the country's economic recovery is accomplished." The workers ask, when?

*Salaries.* There has been an indefinite freeze on salaries in Cuba for more than 19 years whose growth has been pegged to productivity and a decline in excess liquidity, situations that are impossible to resolve due to the economic structural crisis.

The current scale ranges from 100 pesos (4.54 dollars) to 45 pesos (20.45) per month.

In May 1999, teachers, health workers, and police in Havana received a 30-percent increase in salaries.

*Food basket.* The rationing card, implemented temporarily 38 years ago, offers fewer products every day: rice, beans, and certain pork products. The situation is worse in the countryside.

As a supplement, the worker has the following options:

Shop in government-owned dollar stores, where four pounds of chicken cost the equivalent of one month's wages or 53 percent of the average wage; farmers' markets; or the black market, where a week's bill amounts to 106 percent of the minimum wage and 53 percent of average wages.

*The basic basket.* Buying power is reduced even more by paying rent and public services.

An objective analysis shows that 10 minimum wages would be needed to cover the basic basket and survive, compared to five in Latin America.

*Work conditions.* The deterioration of machinery and the environment increases risks and on-the-job accidents.

*Social security.* The dollarized economy leaves retirees with 3.82 dollars a month and restricted access to food and medicine.

*Work hours.* Cuba has the longest workweek of any country, 48 hours, to which must be coupled the time it takes to get to work due to a deplorable transportation system.

*Job discrimination.* Related to ideological, political, and racial problems.

*Apartheid in use of accommodations.* Cubans are also discriminated against in the use of public accommodations, restricted to tourists, those with dollars, and government officials.

Government employment companies exploit the Cuban worker. This began with the government-owned company CUBALSE (Cuba at the service of the foreigner), and today there are many. Investors or foreign partners pay for workers' services in dollars, while workers are paid in pesos. They are guaranteed ideal capitalist personnel (economically productive, socially passive, and politically loyal).

Communist party cells and the CTC section ensure an ideal situation, social peace, and no strikes.

This violates the International Trade Organization's 95<sup>th</sup> Agreement on salary protection, which in its Article 5 states, "Salaries must be paid directly to the worker," and in Article 6, "employers must be prohibited from limiting in any way the freedom of the worker to receive his salary."

## **Labor and Social Relations**

### **What are the instruments and channels of representation, defense, and participation available to the worker?**

- The CTC, which is controlled by State Security and is under the direction of the Communist Party

- Collective hiring does not exist.
- The right to strike, in practice, does not exist.

Analysts of the implosion that occurred in the Soviet Union and communist countries agree that one of the reasons for communist society's demise was the absence of a channel for the people and workers in which to express their opinions, air their problems and hopes and channel their needs.

It increases social injustice and exacerbates the lack of productivity and passive forms of social protest.

### **ILO's Philosophy**

On June 18, 1998, in Geneva, the International Labor Organization adopted a declaration on basic labor principles and rights, which offers an answer to the challenges posed by internationalization of the economy.

It provides a minimum number of rules on social functions that combine economic growth with social progress, and declared that all members, even when agreements have not been ratified, have an obligation as members of the organization.

The agreements are:

- Freedom to associate, union freedom, and recognition of the right of collective bargaining.
- The elimination of all forms of forced or compulsory labor.
- The abolition of child labor.
- The elimination of discrimination to work and professions.

None of these agreements have been fulfilled in Cuba.