

A look at mini-enterprises in Cuba...

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• WHEN in April of 2011, the 6th Congress of the Communist Party of Cuba approved the Economic and Social Policy Guidelines of the Party and the Revolution, the country began a definitive process of updating its economic model, which, as was recognized at the time, would lead to significant changes over the following five years.

To conduct a review before getting to the heart of the matter, let us recall that the Guidelines established that the economic system would continue to be based on the entire people's socialist ownership of the fundamental means of production, governed by the principle (also socialist) that distribution would be based on "from each according to their capacity, to each according to their work." Of course, the possibility of obstacles and contradictions in the Guidelines' implementation was acknowledged.

Understanding that only socialism is capable of overcoming difficulties and preserving the revolutionary ideals of equality and justice, the national economy would continue to be based on planning, while at the same time attention would be paid to market forces, and more autonomy afforded to state enterprises and new private forms of economic management.

In the words of the Minister of Economy during the period 1995-2009, José Luis Rodríguez, the Guidelines would maintain social ownership of the means of production that were decisive to the nation's development; establish limits on non-state property, preventing the accumulation of capital; and assure the provision of basic social services for all, free of charge.

In addition to maintaining the central role of state enterprises, he said - as we have seen - the updating would recognize and promote economic activity by foreign investors, cooperatives, small farmers, those working land granted in usufruct, renters of state property, and the self-employed, among others.

According to Rodríguez, now an advisor at the Center for Global Economic Research, opening spaces for small private businesses of the self-employed; agricultural and non-agricultural cooperatives; and joint ventures with foreign capital is a way to give such economic forces participation in the country's development "without being predominant, if they are channeled appropriately, and do not become overpowering."

From the point of view of psychologist María del Carmen Zabala, specialist in the issue of social equality, and advisor to the Latin American Faculty of Social Sciences' Cuba Program, the Guidelines reflect a commitment to equity and suppose the implementation of measures which lead to more options for employment and income, to the benefit of Cuban families.

Thus, the strategic document outlining the Guidelines states, "In the forms of non-state management, the concentration of property by individuals or legal entities is not to be permitted," adding that the tax system would establish higher rates for those with the highest incomes, in an effort to "mitigate inequalities between citizens."

Just as Cuban President Raúl Castro Ruz made clear during the 7th Congress of the Communist Party of Cuba, held in April of 2016, in Havana, "The neoliberal formulas that advocate rapid privatization of state property and social services, such as health, education, and social security, will never be applied in Cuban socialism."

Raúl, also first secretary of the Party Central Committee, said, "A revolution of the humble, by the humble, and for the humble," as Fidel defined it, with an undeniable social project already constructed, "will never seek solutions to its problems on the backs of the people, or with the restoration of capitalism, which would lead to the application of shock



JOSÉ MANUEL CORREA ARMAS

La Arboleda café in the Havana neighborhood of Alamar is a private business. An atmosphere is developing across the country which does not discriminate against or stigmatize non-state work.

therapies on layers of the population with fewer resources, and destroy the unity and confidence in the Revolution and the Party of the majority of our citizens."

In Cuba, he has reiterated many times, "No one will be left unprotected."

MEDIUM, SMALL, & MICRO BUSINESS

After five years of taking steps to update the economy, the non-state sector has grown exponentially. While employment in the state sector constituted 81.2% of the total in 2010, it stood at 70.8% in 2015. Likewise, there were 157,371 registered self-employed in September of 2010, and more than 500,000 at the close of 2016.

Although, as the Cuban President noted, "The increase in self-employment and the authorization to hire a work force has led, in practice, to the existence of private medium sized, small, and micro-enterprises, which function today without the appropriate legal standing, and are governed by law within a regulatory framework designed for individuals working in small businesses undertaken by the worker and family members," developing is an atmosphere which does not discriminate against or stigmatize non-state work.

At the same time, in socialist and sovereign Cuba, the people's ownership of the principal means of production constitutes the foundation of workers' real power, as Raúl has explained, and supports the success of non-state forms of economic management, on the basis of strict compliance with relevant legislation and within well defined limits.

Regarding this issue, the Cuban President stated, "We are not naïve, or unaware of the aspirations of powerful external forces which are betting on what they call 'empowerment' of non-state forms of management, with the goal of generating agents of change, in hopes of putting an end to the Revolution and socialism in Cuba through other means."

Raúl has emphasized, "Cooperatives, the self-employed, and private medium, small and micro-enterprises are not in their nature anti-socialist or counterrevolutionary," noting that the vast majority working in this way are patriots.

With economic development, the struggle for peace, and ideological firmness as the Party's focus, the experimental process of developing productive non-agricultural cooperatives continues, especially in commerce, food and technical services, small industry, and construction.

Comandante en Jefe Fidel Castro Ruz himself insisted, "If one works with fervor and dignity, the material and cultural goods human beings need can be produced." This is precisely what the country is seeking, without allowing economic decisions to affect the people's unity.

AN ORDERLY, GRADUAL PROCESS

Also worthwhile is a look at the ground

rules established for the orderly, gradual process of separating state and enterprise roles, which have often overlapped. This effort has faced obstacles since the change requires an end to obsolete mentalities.

Raúl has emphasized that needed are more explications to the people, more discipline and rigor, and greater follow-up on the change process, saying, "We must have our ears, and our feet, firmly on the ground."

Measures adopted to facilitate freeing the state from all responsibility for economic administration include affording state enterprises more authority, reorganizing the workforce and salaries to eliminate inflated rosters across all sectors, and assuring that work is the principal way the population earns income.

On another front, progress has been made in the development, without subsidies, of wholesale priced supply markets, and equipment rental services to serve state enter-

prises, budgeted entities, and non-state businesses.

The Guidelines additionally propose making the social objectives of state enterprises more flexible, so they can take maximum advantage of their potential, as well as expanding their authority to manage working capital and investments to a certain degree.

Another evolution has been in what is known as "pay per performance," which means that wages for workers in state and non-state enterprises are increasingly linked to results obtained.

The conceptualization of Cuba's economic model approved at the 7th Party Congress in 2016, states that the consolidation and sustainable development of socialism is only possible on the basis of preserving values and increasing the productivity of labor, to provide for greater wealth and its just distribution, a better standard and quality of life, as well as the realization of legitimate individual and collective aspirations.

At the same time, the National Economic and Social Plan through 2030 defines the strategic axes and driving forces in the development of Cuba: an effective socialist government; social integration; productive change and international involvement; the development of infrastructure; human potential; science, technology, and innovation; protection of natural resources and the environment; equity and justice.

Let us not forget that all of these changes are taking place within a reality marked by little population growth, with low birth rates and longer life expectancy, a negative migratory balance, increasing urbanization and aging of the population, which imply great social and economic challenges for the country - issues to be addressed in future editions of **Granma International**.



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