

COMMENTS ON

“Labor Effects of Adjustment Policies in Cuba” by Enrique S. Pumar

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This paper raises several points of particular importance to the Cuban people today. First, it questions the Cuban government’s rationale for the recent economic reforms and, in this context, argues that they were implemented in order to strengthen its own power. And second, the paper also opens the door to a debate which, although not explicitly addressed, seems to follow naturally: the question of the role of today’s economic elite in a Cuba in transition.

Limited access to certain higher-paying occupations and sectors (with the ability to obtain hard currency), limited opportunities for profitable self-employment, and the growing problem with unemployment have all helped to create a dichotomy in the Cuban population. The paper establishes that, in Cuba, the place to be is in the lucrative “private” sector or in a job which allows access to dollars, but the government has limited the entrance to this part of the economy. Consequently, competition for these jobs is keen. Wages in other sectors, which pay in pesos, are often not sufficient to maintain a family

Dr. Pumar asserts that the Castro government has passed limited economic reforms solely as a measure to further tighten control over the population. Because competition for the new opportunities created as a result of Castro’s reforms is intense, the government can select workers with a history of loyalty to the government to fill these sought-after positions. This is hardly disputable. However, this places new pressures on the government.

As the economic disparity increases between those who have access to lucrative jobs and those who do not, tensions will inevitably arise. In order to keep discord at bay, the government must respond to the portion of the population which does not enjoy the privilege of access to dollars or private sector jobs. It must do this through further oppression (thus increasing the dichotomy between the two groups) or further reforms. Only a large and sustained jump in economic growth could quell this situation—an unlikely scenario in the foreseeable future. Therefore, the current reforms are unstable. With this in mind, I must disagree with Dr. Pumar’s premise that these reforms do not erode the power of the state. Power must indeed be eroded, as those denied access to this “new economy” become disaffected from the state. Certainly, this represents the vast majority of Cubans.

But looking forward, a further question arises which could be of particular importance to a Cuba in transition. This is the question of how this system of meritocracy will carry into a post-Castro economy. Will the scenario mirror that of Central and Eastern Europe where the most important players in the current economy are those who, under the previous regimes, enjoyed the highest of state privileges? These were the few with access to the highest levels of education, the most desirable skills, and perhaps most important, the personal connections necessary to succeed in a new market economy. Consequently, the former members of the ruling communist party once again enjoy positions of economic privilege based on

their commitment to a previous regime. As objectionable as this situation might be to some, the economy can not afford to exclude those who hold the greatest human capital.

There exists a conflict here. An argument of politics versus efficiency. On the one hand, a true transition, one which would involve economic as well as political change, should reward the entire population. By no means should those who were denied access to coveted skills or the higher echelons of power find

themselves in a position of economic disfavor relative to those who were not. However, a Cuba in transition will rely heavily on those skills that are held by those currently indulged by the revolutionary government. This is not a question which I would attempt to discuss in the limited scope of these comments but one which certainly deserves a closer look. I believe papers such as this one by Dr. Pumar provide an excellent forum for such questions.