

Cuba announces firing of half a million state workers

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15 September 2010

With its announcement that over 500,000 state workers will be fired over the next six months, the Castro regime is carrying out its most sweeping attack on Cuban workers since it came to power more than half a century ago.

The announcement was published in the official government daily *Granma* Monday in the name of the National Secretariat of the Central de Trabajadores de Cuba (CTC), the country's state-controlled and only legal trade union federation.

The union's statement served as a concretization and rubber-stamping of plans for mass layoffs that were first made public last month by President Raúl Castro, who told a meeting of the country's parliament that the regime was determined to purge "bloated" payrolls and "wipe out forever the notion that Cuba is the only country in the world where you can live without working."

While the use of the CTC to announce the mass layoffs was designed to create the pretense that this massive attack on jobs had been negotiated with the representatives of Cuban workers, the reality is that the federation has no independence from the state apparatus. Its statement, like the speech delivered by President Castro, was saturated with the hostility of the regime's elite toward the Cuban workers.

It justified the mass layoffs by declaring that "inflated payrolls" in state enterprises were "burdening the economy, end up being counterproductive, generate bad habits, and warp workers' behavior." It was necessary, the statement continued, "to increase production and the quality of services, reduce inflated social spending, and eliminate undue gratuities, excessive subsidies, [university] studies as a source of employment, and early retirement."

In other words, austerity all down the line. Cuban workers are confronted with an intense form of the same kind of wholesale attacks on jobs, wages and social conditions that are being implemented in country after country in response to the global capitalist crisis.

The promise that the CTC statement would provide details about the government's plan was realized only in terms of its spelling out the sweeping and immediate character of the measures.

Fully 10 percent of the state workforce (which accounts for 85 percent of Cuba's working population) will be laid off between now and the end of March 2011. Cuba's official unemployment rate of 1.7 percent will increase tenfold virtually overnight. Moreover, this is only the beginning. The statement points to more than one million "excess" jobs in the state sector, stating that changes in employment will be introduced in a "gradual and progressive way" over the next four years. As for the immediate mass layoffs, it warns that because of their "magnitude and impact they will extend to every sector" of the Cuban economy.

What will happen to these workers is left far from clear by the CTC

statement. It suggests, however, that Raúl Castro's promise last month that no one would be "left to their fate" was more rhetorical than real.

Those laid off, referred to in the statement as "available" or "suspended" workers—not unemployed—are supposed to be absorbed by Cuba's virtually nonexistent private sector, which consists of less than 600,000 people, most of them small family farmers and another 143,000 *cuentapropistas*, or self-employed, working mainly in areas such as barbershops, beauty parlors and taxi driving.

"Renting, *usufructo* [referring to long-term leases of state lands to private farmers], cooperatives and self-employment is where hundreds of thousands of workers will be moved in the coming years," the statement said.

A smaller number of those thrown out of their jobs could get work in other sectors of the state economy, the union statement suggested. It added in a menacing tone that "the conduct and personal disposition of the person in concern will play a very important role" in determining who will be awarded such positions.

The implication is clear; those who oppose the mass layoffs will be blacklisted for any future government jobs.

The state union federation also warned that the mass layoffs would be carried out on the basis of "new norms" in which the "current treatment in terms of salary and labor rights of available and suspended" workers will be changed. "It is no longer possible to apply the formula of protecting or subsidizing workers' wages in an indefinite way."

Whether this means that unemployment compensation will be abolished altogether, curtailed in its length or reduced in its amount was not made clear. One thing is certain: the loss of jobs for workers in Cuba will prove every bit as much a catastrophe as it is for their counterparts everywhere else in the world. Even more so than in many other countries, social benefits are bound up with one's place of employment.

The announcement went on to warn that the mass layoffs would be utilized as a means of increasing the exploitation of those who remain on the job. "Wages constitute a matter of singular importance," it states. "We must revitalize the socialist principle of distribution, of paying each according to the quantity and quality of their labor. The system of payment for results, applied in centers with better adjusted payrolls, will continue being the means to increasing productivity and, as a consequence, the income of the workers."

The "principle" invoked by the state-controlled trade union federation belongs to capitalism not socialism, which aims for the abolition of the wages system. It is a "principle" that encourages social inequality and is embraced by the ruling officialdom, whose "quality" of labor is deemed far superior to that of the average worker.

The government is also cutting back on subsidies upon which much of the population depends. It has ordered the shutdown of workplace cafeterias that assured workers free lunches and has recently removed cigarettes from ration cards that supplement workers' wages, which average about 420 pesos, or \$20 a month. Many fear that this is just the first step toward doing away with the subsidies altogether.

For decades, Cuban workers have been told that, despite their relatively low standard of living, unlike their counterparts elsewhere in Latin America, they are guaranteed jobs, education, health care and minimal state subsidies. Now, these supposed guarantees are being done away with, and the Cuban regime is in the process of creating a mass of unemployed poor, left to fend for themselves, similar to what exists elsewhere in the region.

The *Wall Street Journal* responded enthusiastically to the Castro regime's announcement, implicitly associating the mass destruction of workers' jobs as an advance for "freedom" and praising the regime for its attempt to "shift its nearly bankrupt economy to a more market-oriented system."

"Cuba's effort to reorient its labor force represents the country's biggest step toward a freer economy since the early 1990s, when Havana embarked on a brief attempt to make changes in a bid to survive without subsidies after the collapse of the Soviet Union, its main benefactor," the *Journal* commented.

It is clear that the Cuban government is carrying out its precipitous attacks on the jobs and social conditions of the working class under pressure of a deep-going economic and political crisis that has its roots in the global financial crisis. The government's response is determined by the petty-bourgeois nationalist character of the regime, brought to power by a guerrilla movement in 1959 and headed by its leader, Fidel Castro, from then until four years ago, when the ailing leader was succeeded by his younger brother Raúl.

The economic crisis has had a severe impact on Cuba, which saw the price of its leading export, nickel, plummet from \$50,000 a ton to less than \$10,000 a ton, and a sharp contraction of tourism and remittances from Cubans in exile.

The mass layoffs announcement came in the midst of a controversy over an interview given by Fidel Castro to an American journalist in which he was quoted as saying that "The Cuban model doesn't even work for us anymore."

Castro subsequently claimed he had been "misinterpreted" by the journalist, Jeffrey Goldberg of the *Atlantic* magazine. Goldberg insisted that he had quoted the long-time Cuban head of state accurately.

Equally significant, was Castro's statements in the interview condemning the regime in Iran for anti-Semitism and urging it "to understand why Israelis fear for their existence."

These statements, coming at a time in which Washington is redoubling its pressure on Teheran, seemed likely to have been intended to curry favor with the US government. It follows similar gestures by the Cuban regime, including a release of 52 "dissidents" negotiated with the Vatican, the Spanish government and the European Union.

The Obama administration, however, has largely stood pat on Cuban policy, recently renewing for another year the nearly half-century-old US economic blockade of the island, while slightly easing restrictions on educational and cultural travel to the island.

Sections of US big business are pushing for further easing of the embargo, sensing that they will lose out to their European competitors under conditions in which the Cuban regime appears poised to open

the doors ever wider to foreign capital. Telephone companies in particular are pressing to be allowed to operate directly on the island.

The mass layoffs announcement comes in the wake of other economic policy changes, including a pronouncement that foreign investors would be allowed to lease government land for up to 99 years. The change is designed to facilitate deals with foreign companies seeking to develop golf clubs and luxury housing for foreigners. The government said that the new rule would provide "better security and guarantees to the foreign investor."

This measure evidently has caused significant unease. A column by Jorge Gómez Barata, a pro-government journalist and academic, entitled "Tourism for millionaires—income for millions" defended the new policy against those he accused of upholding "outdated dogmas and stereotypes." The opening up of the country to millionaires, he said, represented "advancing towards economic, cultural and commercial standards of more or less universal character."

The only complaint from Gómez Barata was that the new luxury housing and facilities would not be made available to Cubans "who, thanks to their work or other legal activities, have enough resources to buy them."

There are no doubt growing layers within ruling circles who are amassing "resources," through their connections to foreign capital and other dubious activities, that would allow them to live like millionaires.

Last June, Cuba's ruling Communist Party expelled one of its leading intellectuals and television commentators, Esteban Morales, for warning that a rash of corruption scandals within ruling circles was symptomatic of a growing "counterrevolution" within the regime.

"Without a doubt, it is becoming evident that there are people in positions of government and state who are girding themselves financially for when the Revolution falls, and others may have everything almost ready to transfer state-owned assets to private hands, as happened in the old USSR," Morales wrote.

As the measures announced Monday make clear, this drive toward self-enrichment by leading elements within the Castro regime can only be advanced through a frontal assault on the Cuban working class, which in turn must provoke social and political upheavals.



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