

Cuban working class facing disaster due to coronavirus-related tourism collapse

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Due to a fairly robust public health system and the implementation of an aggressive system of contact tracing and isolation and quarantine practices, Cuba has managed to slow the spread of the COVID-19 outbreak. However, the near total collapse of the tourism industry as a result of coronavirus-related travel restrictions has left the Cuban working class at the precipice of disaster due to its key role in the economy.

The government had a relatively swift reaction to the spread of the pandemic, having formulated a plan in January. Once the virus was confirmed in the country on March 11, tracing and isolation was established, and tourist arrivals were banned starting March 20. People who test positive for the virus are required to list all the people they had contact with in the previous 14 days. Those contacts are then themselves isolated and tested to determine if they are infectious.

According to the Ministry of Public Health, there have been a total of 1,437 confirmed cases in the country, with a little over 800 active cases, and 58 deaths, out of a total population of around 11.2 million. The highly-populated capital of Havana, also a major tourism center, has some of the largest number of cases, with five of its *municipios* alone reporting 300 cases.

According to Raúl Guinovart Díaz, dean of math at the University of Havana, the efforts have so far been successful. Quoted in *Granma*, the official newspaper of the Cuban Communist Party, he said, “The forecast now indicates that approximately next week we will reach the peak, ahead of the international average. This is a reserved prognosis that will depend on the evolution of the disease over the next few days.” He also warned that any relaxation of the existing measures would reverse this progress.

The Cuban health care system is also being threatened by the increased need for supplies and

testing materials, which eat up scarce foreign currency reserves, as well as the cruel and punitive American embargo. The latter was cited by Foreign Minister Bruno Rodríguez as “the main obstacle to purchase the medicines, equipment and material required to confront the pandemic.”

In an open letter, the Engage Cuba Coalition, a group of private companies and other organizations seeking to end the embargo, called for its suspension on humanitarian grounds. It said, “Though there are supposed to be humanitarian allowances under the embargo framework, in practice, there are severe limitations and obstacles to delivering humanitarian assistance to Cuba.”

With tourism effectively zeroed out, 139,000, or 19 percent, of “self-employed” small business owners in Cuba’s private sector have asked for their licenses to be suspended in order to avoid tax payments. Another 120,000 hotel workers have been put out of work due to the collapse in tourism. Some of these workers have evidently been assigned to help manufacture personal protective equipment for the health care system.

Although this fall in tourism is unprecedented since Cuba opened up the industry in the 1990s, the sector had been in decline before the start of the pandemic. In 2019, the number of tourists had dropped 9.3 percent, in large part due to heightened sanctions implemented by the administration of US President Donald Trump. January and February tourism numbers were even worse, with a decline of 16.5 percent from the previous year.

As the second largest sector of the Cuban economy, tourism brought in \$3.3 billion in revenue. This revenue is crucially important for the government as a key source of foreign currency, which it requires to import food, fuel and other necessary commodities. The

Economist Intelligence Unit expects Cuban imports this year to total \$9.1 billion, compared with \$11.7 billion in 2015.

This will mean shortages of all kinds of goods are likely. To make matters worse, the shutting down of travel will also exacerbate these issues by cutting off trade in the black market that has been quietly tolerated.

In an effort to address the shortages, the government has added certain items to the *libreta* rationing system, including cleaning products, while adding more rations of chicken. Attempts to bring some aspects of online shopping into the system in an effort to remove the need for shoppers to stand in line crashed the system, according to a Reuters report.

The economic crisis has also led to an effective re-dollarization of the economy, as the government attempts to draw out as much loose currency as possible. Officials claimed 77 stores would open across the country selling goods such as appliances, televisions and electric motorcycles, among other items, in hard currencies such as US dollars or euros. Although many of these items had been available for purchase with the Cuban convertible peso, which is pegged at the value of one US dollar, the hard currency prices at these stores have been much lower.

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A Cuban economist interviewed by Reuters, Omar Everleny, made the point that this was effectively an admission that the convertible peso is worth less than the dollar to which it is officially pegged. He said, "We are going back to before 2004 when there was only the peso and certain products were priced in dollars." Such a change in economic policy would have a devastating effect on Cuban living standards by decreasing the value of wages, pensions and savings.

Despite the appeals for humanitarian assistance for Cuba, every indication is that the Trump administration plans to continue its aggressive attitude toward Cuba and Venezuela.

Democratic presidential candidate Joe Biden said on Monday, April 27 that he would return to the Obama-

era US posture toward Cuba. In a CBS television interview Biden said, "In large part, I would go back," but made clear that he would in no way step back from the goal of replacing the Cuban government with one more pliant to US interests, saying, "I'd still insist they keep the commitments they said they would make when we, in fact, set the policy in place."

Biden also made clear he did not mean an end to US economic sanctions, but rather an approach intended to give US corporations a toe-hold on the island. Revealing only tactical differences with Trump, Biden said, "there's no reason why we cannot still sanction them. But failing to recognize them at all is a different thing than sanctioning them."

Biden had previously explained during a March 15 CNN debate that, "[Obama] was trying to change Cuba policy so the Cuban people would get out from under the thumb of Castro and his brother."

The Socialist Equality Party has called for an end to all sanctions and trade war measures in order to combat the coronavirus pandemic. Every possible assistance should be given to Cuba in regard to equipment, medicines, food and other supplies.



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