
A neoliberal package in Cuba?

By: Ariel Pazos Ortiz
03/01/2024

After the recent sessions held at the Cuban Parliament, the announcement of new measures has drawn the attention of Cuban citizens. Some have reacted full of optimism, but there are others who are talking about the imminence of a neoliberal package.

How much veracity is there in these statements, which compare the proposed alternatives with typical policies of neoliberal governments?

The truth is that the Cuban leadership announced that by 2024, some prices would gradually increase (fuel, some goods, electricity from 500 Kw on...), the limitation of employment of the budgeted sector, and other decisions in terms of economy.

However, unlike what could happen in several countries when an economic storm like this hits, these measures do not aim to benefit a small group of the privileged class, but are meant to help to stabilize the macroeconomics of the nation. And this is paramount to correct the course of the Cuban economy, at least a little.

Likewise, according to what has been stated by the public servants, in the case of Cuba these measures have been announced within a context where it is urgent to reduce fiscal deficit and thus, boost production of the different economic players. We would be fooling ourselves if we aim to heal our economy while the State continues to issuing money with no correspondent productive backing. Perhaps, these actions should have been taken earlier.

In this regard, the reordering of the workforce is key. It is not about firing people and abandoning them to their fate. It is about encouraging budgeted entities to use a rational number of workers. Many times, there are people who are paid and receive benefits without an actual job content set.

On the other hand, when we focus on economics aspects, there are some who like to draw parallels with foreign realities. It is logical and useful that human beings weigh up; but, be careful, sometimes drawing parallels between two similar aspects leads to unfinished conclusions.

From what we were told days ago, and having into account the conceptualization of Cuba's socialist socio-economic model, the aim is not to healing the economy by paying a high social cost, but correcting unsustainable trends to achieve, precisely, a fairer distribution of resources and reverse the deterioration of major conquests of the nation.

In fact, along with such measures, the decision to approve supplementary payments to Health and Education professionals was announced, especially in times where the population is showing concerns about these two sectors.

In this way, it is not true to state that Cuba is leaning toward a neoliberal management of its economy. Saying so could well be the result of a misunderstanding—which can be righted by just accessing to credible information— or just presenting the subject from a very hostile political view.

Ultraconservatism will not save the Cuban economy from its pitfalls. These measures, by themselves, will not bring that dreamed prosperity, but they well pave the way.

Translated by Sergio A. Paneque Díaz / CubaSí Translation Staff
