

National Policy Association
FINAL Report to U.S. Agency for International Development
October 1, 1999 through October 31, 2002
Working Group on Best Business Practices in Cuba
Grant No. LAG-G-00-00-00002-00

For the past three years, the National Policy Association (NPA) has been at the forefront of the international effort to raise consciousness about the lack of worker rights in Cuba. Through the momentum-building efforts of NPA's International Working Group, international conferences and the quarterly newsletter *Cuba Today*, the issues surrounding foreign investment and the rights of workers in Cuba have been highlighted. The international community has begun to address the situation with ever greater clarity and vigor.

Beginning in 1999, NPA developed broad credibility on Cuban labor issues with non-governmental and private sector organizations. Using its long-standing expertise in bringing different sectors together to find common ground, NPA engaged a wide range of individuals and organizations in generating support for the rights of Cuban workers. NPA and its Working Group members were at the forefront of efforts to promote the rights of workers in Cuba.

International Working Group

In early 2000, NPA contacted many private sector associations in the United States, Canada, Mexico and Europe. This core group of leaders formed an international coalition, known as the NPA International Working Group, to examine worker rights and best business practices in Cuba.

Participants in this coalition included:

- AFL-CIO Solidarity Center
- American Chamber of Commerce of Cuba in the United States
- Consejo Mexicano de Comercio Exterior (COMCE)
- The Conference Board of Canada
- Cuba Policy Foundation (joined in early 2002)
- Florida International University
- Instituto Tecnológico Autónomo de México (ITAM)
- National Policy Association
- Pax Christi Netherlands
- Prince of Wales Business Leaders Forum
- United States Chamber of Commerce
- US Cuba Business Council
- Confederation of Netherlands Industry and Employers (VNO-NCW)

The members of the Working Group were brought together three times for meetings during the year 2000, twice in 2001, and once in 2002. The Working Group was responsible for analyzing the current state of foreign investment and worker rights in Cuba and making recommendations to promote best business practices in Cuba. In addition, the Working Group developed the "Principles for Private Sector Investment in Cuba" (attached) and assisted NPA in widely circulating the document.

Endorsement of “Principles for Private Sector Investment in Cuba”

NPA and the Working Group worked to gain endorsements of the “Principles for Private Sector Investment in Cuba” during the course of the project. In a joint effort with the American Chamber of Commerce of Cuba in the United States (AmCham Cuba) in 2002, NPA sent letters to approximately 140 corporate members of AmCham Cuba in order to gain their support for the principles. Five corporations signaled their support for the principles. The five corporations are:

- International Executive Service Corps (IESC)
- Agrotec West Indies, Inc.
- Bal Marketing
- Century Associates, LLC
- Energy and Communications Solutions, LLC

International Conferences

The NPA Working Group sponsored four international conferences to raise awareness about the plight of Cuban workers and the situation of foreign investment in Cuba. The first annual conference, which was held in Mexico City in June 2000, kicked off the campaign to promote business principles for foreign companies operating in Cuba. Speakers from business, labor, academia and NGOs offered perspectives on the importance and potential impact of the adoption of the business principles. More than 75 Mexican business and labor representatives attended the event.

The Working Group hosted its second annual conference in Montreal, Canada, on June 1, 2001 and another conference in Washington, DC on November 14, 2001. The Spanish roundtable took place on May 20, 2002, in Madrid. All agendas for these meetings are attached.

Cuba Today Newsletter

The *Cuba Today* newsletter has served a myriad of purposes, but it had two main objectives: first, to serve as a forum of dialogue on strategies for promoting the rights of workers in Cuba; second, to lend support to the independent labor movement on the island by educating Cuban workers of their rights and serving as a reminder that many outside of the island are working to attain freedom and human rights for Cuban citizens. The newsletter presented a variety of international perspectives on the issue of worker rights in Cuba, and it aimed to increase awareness about the plight of Cuban workers, as well as to provide an update on the activities and progress of NPA's Working Group on worker rights and best business practices in Cuba.

During the course of the project, *Cuba Today* evolved into an eight-page quarterly newsletter that was produced in both Spanish and English. It was disseminated widely to a mailing list of more than 1500 individuals and companies in 16 countries, including Cuba. NPA produced a total of 15 issues of *Cuba Today* during the project. A copy of each issue is attached.

International Attention

Throughout NPA's program to promote the rights of workers in Cuba, there has been increased international attention to this issue. Though this increase cannot solely be attributed to NPA's work, it is important to note that the Working Group has helped to generate substantial interest in the labor practices of the Castro regime.

In addition to President Bush's attention to the plight of Cuban workers, the European Union has recently criticized Cuba's lack of transparency and poor standards in the area of foreign investment and the rights of workers. Pax Christi Netherlands, a prominent human rights organization in Holland and an active member of NPA's Cuba Working Group, has focused much of its energy on *gaining freedom of association for Cuban workers*. In addition, the ILO's Committee of Experts pointed out Cuba's failure to comply with ILO Conventions guaranteeing basic labor rights in its March 2002 report. With the Varela Project, more than 20,000 Cubans signed a petition that called for a referendum in their country that would allow for basic human freedoms and, specifically, the right to organize freely. The 2001 Annual Report of the Inter-American Commission on Human Rights (IACHR) lambasts the Cuban government for, among other labor abuses, allowing only one state-run union to represent workers. A number of distinct private sector groups in the US, Canada, Mexico and Europe, including businesses, non-governmental organizations (NGOs) and labor and human rights groups, have also begun to focus on ways to promote human and labor rights in Cuba. The National Policy Association has been among the most prominent participants in this effort.

Summary Comments

Despite the concerted efforts of the NPA Cuba Working Group, the totalitarian Cuban regime continues to try to prevent legitimate efforts to unionize outside of the Central de Trabajadores Cubanos (CTC), ignores requests from many foreign NGOs that want to learn more about the Cuban labor system, and dismisses foreign investors that prefer to pay their employees (Cuban nationals) directly.

The National Policy Association has faced many of these challenges during the past three years as its Working Group has studied the issue more closely. Foreign investors have also felt pressure from the Cuban government, which has made it more difficult than anticipated to attain formal endorsement of the Working Group principles. However, many corporate representatives have privately expressed their support. Although the Working Group was not granted access into Cuba to talk with independent labor groups and the field offices of foreign investors in Cuba, NPA continued to draw investors' attention to the deficiencies of Cuban labor law and the obligation of investors to uphold internationally recognized labor standards.

Unfortunately, these investors must be continually reminded of their responsibilities in Cuba. In order for the substantial initial achievements of this project to take root and for a broad consensus to develop on the need to take tangible measures to improve worker rights in Cuba, continued efforts will be required. NPA is seeking funds to continue this effort to promote the rights of Cuban workers.



NPA CUBA WORKING GROUP

PRINCIPLES FOR PRIVATE SECTOR INVESTMENT IN CUBA

The international private sector has a vital role to play in promoting open, free market institutions and adherence to universal standards of human rights. Because we, the International Working Group on Best Business Practices in Cuba, believe that socially responsible business practices can help foster human rights and, ultimately, a more productive workforce, we urge businesses investing in Cuba to adopt socially responsible business practices in their activities in Cuba. We also recognize that the situation in Cuba is dynamic, and that the challenges facing private sector involvement in Cuba are many. While operating in a manner consistent with current laws and regulations in force in Cuba, companies should endeavor to respect fundamental worker rights principles and advocate changes in laws and regulations where adherence to these principles is not currently possible.

Based upon the Arcos Principles (1994) and the North American Committee Principles (1997), as well as the Sullivan, McBride, and other socially responsible principles that have served as a catalyst for progress in non-democratic societies, we encourage the private sector to voluntarily adopt the following basic principles:

- 1) **Respect workers' right to organize freely in the workplace and to choose a union to represent them in negotiations with management, in accordance with ILO Conventions 87 and 98;**
- 2) **Maintain a corporate culture that respects free expression consistent with legitimate business concerns, and does not condone political coercion in the workplace;**
- 3) **Work to gain the right to recruit, contract, pay and promote workers directly, not through government intermediaries;**
- 4) **Employ socially responsible employment practices, including the avoidance of child and forced labor and discrimination based on race, gender, national origin, religious beliefs, or political beliefs or affiliation, in accordance with ILO Convention 111;**
- 5) **Provide a safe and healthy workplace, consistent with the principles of sustainable development;**
- 6) **Support the strengthening of legal procedures, encouraging respect for due process, human rights, and the international conventions of which Cuba is a signatory.**



INSTITUTO UNIVERSITARIO ORTEGA Y GASSET



NATIONAL POLICY ASSOCIATION

LAS INVERSIONES ESPAÑOLAS EN CUBA Y LA PROMOCIÓN DEL DESARROLLO

Lunes 20 de mayo de 2002

(9:30 a 14:30 horas)

HOTEL EMPERATRIZ

C/ López de Hoyos, 4 – 28006 Madrid

- 9:30 h. Palabras de Bienvenida:
Carlos Malamud, Subdirector del Instituto Universitario Ortega y Gasset.
Anthony Quainton, Presidente y CEO, National Policy Association.
Charles Barrett, Chair del Cuba Working Group de NPA y Vicepresidente del Program Strategy and Delivery, The Conference Board of Canada.
- 10:00 h.
11:45 h. “Inversiones en Cuba: un examen de las “especiales” relaciones con España”
Mark Falcoff, Resident Scholar, American Enterprise Institute.
Manuel García de Díaz, Universidad de Granada.
Moderador: *Joaquín Roy*, Universidad de Miami.
- 11:45 h.
12:00 h. Café
- 12.00 h.
14.00 h “Estrategias para promover la eficiencia laboral y la productividad en Cuba”
Anthony Quainton, Presidente y CEO, National Policy Association.
Pedro Pérez, Consultor y Empresario.
Moderador: *Carlos Malamud*
- 14.00 h.
14.30 h. Conclusiones
- 14:30 h. Almuerzo

FOREIGN INVESTMENT AND WORKER RIGHTS IN CUBA

St. Regis Hotel
923 16th and K Street, NW
Washington, DC
November 14, 2001

AGENDA

9:00 am Welcoming Remarks

*Anthony C.E. Quainton, President and CEO, National Policy Association
Charles A. Barrett, Chairman, NPA International Working Group on Cuba*

9:15 am Panel One: Working With the Cuban Labor System: A Risk Analysis of Investment

*Moderator: Charles A. Barrett
Matias Travieso-Diaz, Partner, Shaw Pittman
Maria Werlau, President, ORBIS International
Arwen Widmer, Political Risk Analyst, Export Development Corporation*

10:30 am Coffee Break

10:45 am Panel Two: Promoting Positive Change in Cuba: Can Investors Play a Role?

*Moderator: Anthony C.E. Quainton
George Plinio Montalván, Co-Author, The Arcos Principles
Dennis Hays, Executive Vice President, Cuban-American National Foundation
John Kavulich, President, US-Cuba Trade and Economic Council*

12:00 pm Closing Remarks

**National Policy Association
and
The Canadian Foundation for the Americas (FOCAL)**

***Best Business Practices for
Foreign Investment in Cuba***

**June 1, 2001 – 8:30 a.m. – 4:00 p.m.
Mont-Royal II
Renaissance Montréal Hôtel, Montréal, Québec**

AGENDA

- 8:30 a.m. **Continental Breakfast and Registration**
- 9:00 a.m. **Welcoming Remarks**
Charles Barrett, Chair, NPA Cuba Working Group
Nobina Robinson, Executive Director, The Canadian Foundation for the Americas (FOCAL)
- 9:15 a.m. **Working with the Cuban Labor System: A Risk Analysis of Doing Business**
Moderator: *Julia Sagebien, School of Business Administration, Dalhousie University*
Speakers: *Matias Travieso-Diaz, Partner, Shaw Pittman*
Rod Lever, Political Risk Analyst, Export Development Corporation
- 10:45 a.m. **Coffee Break**
- 11:00 a.m. **Change Within Cuba: Promoting Worker Rights, Sustainable Business and Alternative Economic Opportunities**
Moderator: *Charles Barrett, Chair, NPA Cuba Working Group*
Speakers: *Efrén Córdova, former ILO Official, former professor at Universidad de la Habana, Universidad de Puerto Rico, and Florida International University*
Phil Peters, Vice President, Lexington Institute
Juan Carlos Espinosa, Director, Father Felix Varela Center for Cuban Studies, St. Thomas University
- 12:45 p.m. **Luncheon – Le Floreal Room**
- 2:15 p.m. **Cuba in Transition**
Moderator: *Anthony C.E. Quainton, President and CEO, National Policy Association*
Speakers: *Alberto Álvarez, Solidaridad de Trabajadores Cubanos – Canada*
David I. McMillan CHA, VHI International Hoteliers
- 3:45 p.m. **Closing Remarks**



NATIONAL
POLICY
ASSOCIATION

Policy solutions for the 21st century

National Policy Association
Worker Rights and Best Business Practices in Cuba

June 16, 2000 • 8:15am - 3:00pm
Club de Industriales, Andrés Bello No. 29
Col. Polanco, Mexico City, Mexico

CONFERENCE AGENDA

- 8:15 a.m. **Registration**
- 9:00 a.m. **Welcoming Remarks**
Dr. Charles Barrett, Chair, NPA Cuba Working Group
Amb. Anthony C.E. Quainton, President and CEO, NPA
- 9:15 a.m. **International Corporate Codes of Conduct**
Howard Sullivan, Global Sullivan Principles
Gare Smith, Foley Hoag & Eliot LLP
- 10:30 a.m. **Coffee Break**
- 10:45 a.m. **The Current State of Foreign Investment and Worker Rights in Cuba**
Ambassador Otto Reich, US Cuba Business Council
Benjamin Davis, American Center for International Labor Solidarity, AFL-CIO
- 12:00 p.m. **Next Steps for the Promotion of Worker Rights in Cuba**
Francisco León, Senior Fellow, Instituto de Relaciones Europeo-Latinoamericanas (Madrid)
- 1:30 p.m. **Luncheon: The Work of the STC in Supporting Cuban Workers**
Pedro Pérez Castro, Solidaridad de Trabajadores Cubanos (Venezuela)
- 2:45 p.m. **Closing Remarks**
Dr. Charles Barrett, Chair, NPA Cuba Working Group
Amb. Anthony C.E. Quainton, President and CEO, NPA

CUBA TODAY

Best Business Practices and Labor Rights

Summer 2000

Vol. 1, No. 1

Introducing *CUBA TODAY*

The Elian Gonzalez case has revived a long-standing debate in the United States about the nature of Cuban society and its institutions. Much of the argument has been presented through the perspective of Elian's father, one of Cuba's privileged few who earns dollars through work in the tourism sector, largely dominated by foreign private investment.

What has received less attention is the system of state management under which Cubans work: restrictions on the right to organize; inability to bargain collectively; and strict state control over pay

and benefits. This newsletter, *CUBA TODAY*, is designed to promote debate on these topics and to act as a forum for discussion of worker rights.

Under a grant from the U.S. Agency for International Development, the National Policy Association has formed a broad-based international Working Group (listed on page 3) to develop strategies that foster democracy and enhance human and labor rights in Cuba. The Working Group seeks to promote best business practices among multinational companies in Cuba, especially in the foreign investment sector. Many of these firms have well-established commitments to basic

worker rights in their overseas operations, but have been less aggressive in advocating worker rights in Cuba's very particular political system.

The Working Group is calling on multinational firms to be more active in persuading Cuban authorities to provide workers with internationally recognized benefits and rights. Clearly this is no easy task. It is, however, an area where international business and labor must work together to uphold high standards in the interest of justice and freedom in an ever more integrated global economy.

Anthony C.E. Quinton
NPA President and CEO

Labor Relations and Labor Rights in Cuba: *Todo Tiempo Futuro es Mejor**

by Guillermo J. Grenier

Director, Center for Labor Research and Studies,
Florida International University

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Europe and Cuba: The Dilemma of Economic Interests Versus

Human Rights 3
by Liduine Zumpolle
and Jan Dagen

Members of the Cuba Working Group 3

NPA Conference on Worker Rights and Best Business Practices in Cuba 4

Principles for Private Sector Investment in Cuba (Insert)

Cuban workers are living in an era characterized by extreme hardship and increasing exposure to global market forces. Workers on the island are entangled in a deep economic crisis. Basic consumer items are difficult to find and are most accessible to citizens who have U.S. dollars. Rationing no longer protects all Cuban families from hunger and need. Religion has become a more important, though not a major, force for social change. The 1994 tragedy of the *balseros* (raft people) serves as a reminder that living and working in Cuba has become an overwhelming challenge for many.

Low productivity, underemployment, and inefficient use of capital resources are ever-present problems, affecting labor relations. The devaluation of the peso in 1990 has dramatically reduced the salaries of typical state workers. The opening of the economy to international investment has created a two-tiered structure in which those who work for joint ventures in the foreign sector are better shielded from the misfortunes facing most Cuban workers. Although their salaries are still remarkably low and they do not have an easy life, workers in the mixed enterprises at least have access to foreign

* "The Future Will Be Better."

(Grenier continued)

currency and often receive unofficial rewards and gifts from their foreign employers.

THE INSTITUTIONAL STRUCTURE OF WORKER RIGHTS

At the broadest level of institutional protection of worker rights are the International Labor Organization (ILO) Conventions. Cuba has ratified 87 of these, including 7 considered to be basic for the protection of worker rights. However, ILO Conventions have never greatly influenced the development of labor relations practices in most countries, and Cuba is no exception. The nature of labor rights in Cuba is defined by its Constitution and Labor Code.

CTC leadership is unable officially to object to or veto government policies that it is instructed to follow.

WORKING IN THE FOREIGN INVESTMENT SECTOR

There are 135,000 Cuban workers in foreign investment companies, or about 3 percent of the labor force. Jobs in this sector are determined by the State Employment Agencies, authorized by the government to sign contracts with foreign partners to hire Cuban workers. The agencies screen workers not only for their skills, but also for their political attitudes, and the agencies' applicants must be approved by the Ministry of Labor. Worker affiliation with the CTC is considered necessary for access to preferred jobs, particularly in the foreign investment sector.

Because the signing of any contract between a Cuban worker and a foreign company is prohibited by law, Cuban workers are officially state workers. Their relation with the foreign firm is indirect and dependent on the State Employment Agencies, which can relocate them at any time.

The top salary in the foreign investment sector can be no more than 700 Cuban pesos a month, only 250 pesos more than the top salary in the state sector. A high ranking Cuban manager at a nickel extraction site, for example, earns about 625 pesos/month in wages. The manager also receives benefits from the foreign firm's "stimulation fund," including a car for private use, a house near his workplace, and a certain amount of convertible pesos monthly. Cuban law requires foreign partners to establish incentive funds to stimulate efficiency and productivity. The funds must be financed by the surplus production of the joint venture and are not part of the official wage formula.

In essence, the foreign partner pays to the state, in U.S. dollars, 2.3 times the

scale salary for each worker—in the case of the manager, US\$1,440/month. In turn, the worker receives the scale salary from the state in pesos—the manager is paid 625 Cuban pesos/month (about US\$27). According to some analysts, this arrangement violates ILO Convention 95 (which Cuba has ratified). This states that wages must be paid directly to the worker except as otherwise stipulated by law, regulation, or collective agreement and that employers cannot limit in any way a worker's freedom to dispose of wages.

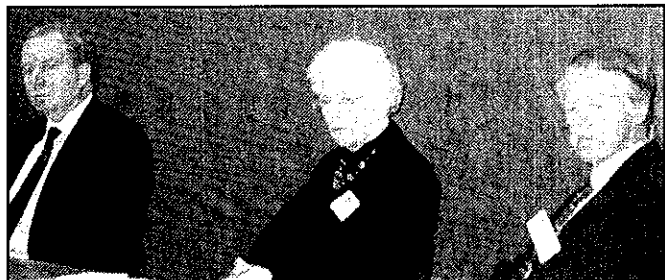
The issue of work hours is another area of contention. Workers in some hotel chains and at some shipyards, citrus plantations, and tobacco factories reportedly work 10-hour shifts daily without receiving overtime pay. Indeed, Cuban labor practices seem to ignore the overtime policy in the Labor Code of 1.5 times the rate of pay for more than a regular 8-hour work day. When a worker puts in extra hours, he or she is encouraged to "volunteer" that time. The best a worker can hope for is that the extra hours will be paid at the regular rate.

LABOR ORGANIZATIONS AND THE FUTURE OF WORKER RIGHTS

These labor relations policies, the grave economic crisis, and the more visible opposition in Cuba have been the catalysts since 1995 for the proliferation of independent union organizations claiming to be alternatives to the official CTC. These groups are small, each with only a few hundred members, but they are seeking to diversify the voice of the workers.

The most active groups are the Consejo Unitario de Trabajadores Cubanos (CUTC); the Unión General de Trabajadores Cubanos (UGTC); the Federación Sindical de Caballeros del Trabajo (FSCT); the Unión Sindical de Trabajadores de Cuba (USTC); and the Central de Trabajadores Democráticos de Cuba (CTDC). All have applied for legalization as independent unions, allowed by the Constitution, but none has yet been approved.

(Continued on page 4)



Attending the first meeting of the Cuba Working Group were (L to R): Ambassador Otto Reich, U.S. Cuba Business Council; Phoebe Lansdale, AmCham Cuba; and Craig Johnstone, U.S. Chamber of Commerce.

The Constitution guarantees freedom of assembly, demonstration, and association to all workers. However, it states that "None of those liberties can be exercised against . . . the objectives of the socialist state. . . . Any disrespect of this principle is punishable." The Labor Code contains similar language.

International observers have criticized the code because it specifically refers to the Confederación de Trabajadores de Cuba (CTC) as the only legitimate labor organization in Cuba. The CTC itself is criticized as serving merely as a transmission belt to communicate government policy decisions to its members. This is by design. The Cuban Communist Party has a dominant voice in selecting CTC leadership and in establishing labor policy. The

With financial support from the U.S. Agency for International Development, the National Policy Association (NPA) began its Best Business Practices in Cuba project in October 1999 to promote worker rights in Cuba. NPA has formed a broad-based international Working Group (listed on page 3 of the Summer 2000 CUBA TODAY newsletter) of business and labor leaders, human rights groups, and private sector policymakers to develop a single strategy to foster democracy and human and labor rights in Cuba. These "Principles for Private Sector Investment in Cuba" are a product of the NPA Working Group, which recommends that they be widely promoted.

National Policy Association CUBA WORKING GROUP

Principles for Private Sector Investment in Cuba

The international private sector has a vital role to play in promoting open, free market institutions and adherence to universal standards of human rights. Because we, the International Working Group on Best Business Practices in Cuba, believe that socially responsible business practices can help foster human rights and, ultimately, a more productive workforce, we urge businesses investing in Cuba to adopt socially responsible business practices in their activities in Cuba. We also recognize that the situation in Cuba is dynamic and that the challenges facing private sector involvement in Cuba are many. While operating in a manner consistent with current laws and regulations in force in Cuba, companies should endeavor to respect fundamental worker rights principles and advocate changes in laws and regulations where adherence to these principles is not currently possible.

Based upon the Arcos Principles (1994) and the North American Committee Principles (1997), as well as the Sullivan, McBride, and other socially responsible principles that have served as a catalyst for progress in nondemocratic societies, we encourage the private sector to voluntarily adopt the following basic principles:

- 1) Respect workers right to organize freely in the workplace and to choose a union to represent them in negotiations with management, in accordance with International Labor Organization (ILO) Conventions 87 and 98;
- 2) Maintain a corporate culture that respects free expression consistent with legitimate business concerns and does not condone political coercion in the workplace;
- 3) Work to gain the right to recruit, contract, pay, and promote workers directly, not through government intermediaries;
- 4) Employ socially responsible employment practices, including the avoidance of child and forced labor and discrimination based on race, gender, national origin, religious beliefs, or political beliefs or affiliation, in accordance with ILO Convention 111;
- 5) Provide a safe and healthy workplace, consistent with the principles of sustainable development;
- 6) Support the strengthening of legal procedures, encouraging respect for due process, human rights, and the international conventions of which Cuba is a signatory.

NPA GRUPO DE TRABAJO SOBRE CUBA

Principios Para la Inversión del Sector Privado en Cuba

El sector privado internacional juega un papel vital en la promoción de instituciones abiertas y de libre mercado y adhesión a estándares universales de derechos humanos. En virtud de que los integrantes del Grupo Internacional de Trabajo sobre Mejores Prácticas de Negocios en Cuba, creemos que la responsabilidad social en las prácticas de negocios puede ayudar a promover los derechos humanos y una fuerza de trabajo más productiva, solicitamos a los inversionistas en Cuba adoptar prácticas de negocios con responsabilidad social en sus actividades en Cuba. También reconocemos que la situación en Cuba es dinámica y que los retos que enfrenta el sector privado en Cuba son muchos. Sin importar que los inversionistas operan de manera consistente bajo leyes y reglamentos aplicables en Cuba, las empresas deben respetar los principios fundamentales de los derechos de los trabajadores y abogar por el cambio en cuanto sea posible en aquéllas leyes y reglamentos que no se adhieran a dichos principios.

Basado en los Principios Arcos (1994) y los Principios del Comité de América del Norte (1997), así como los principios de responsabilidad social de Sullivan y McBride, entre otros que han servido como un catalizador en el progreso de las sociedades no democráticas, nosotros alentamos al sector privado para que voluntariamente adopte los siguientes principios básicos:

- 1) Respetar el derecho de los trabajadores a organizarse libremente en los lugares de trabajo y escoger al sindicato que se encargue de representarlos en negociaciones colectivas de acuerdo con las Convenciones 87 y 98 de la Organización Internacional del Trabajo (OIT);
- 2) Mantener una cultura corporativa que respete la libre expresión consistente con intereses de negocios legítimos y que no condone la coerción política en el lugar de trabajo;
- 3) Buscar el derecho a reclutar, contratar, pagar y promover a los trabajadores directamente, y no mediante intermediarios gubernamentales;
- 4) Emplear prácticas sociales responsables en el empleo, incluyendo la eliminación de trabajo infantil forzado y discriminación basada en raza, género, origen nacional, creencias religiosas o creencias políticas o afiliaciones, de conformidad con la Convención 111 de la OIT;
- 5) Proveer un lugar de trabajo seguro y saludable consistente con principios de desarrollo sostenible;
- 6) Apoyar el fortalecimiento de los procedimientos legales, alentando el respeto a ser oído en juicio, a los derechos humanos y las convenciones internacionales de las cuales Cuba es signataria.

NATIONAL POLICY ASSOCIATION

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Europe and Cuba: The Dilemma of Economic Interests Versus Human Rights

by *Lidvine Zumpolle*

*Coordinator, Latin American Department, Pax Christi Netherlands and Jan Dagen**

It is not easy to encompass European-Cuban relations in a single, clear policy. In 1996, after long debates throughout Europe, the European Council of Ministers, in conjunction with the European Parliament and the European Commission, agreed on a Common Position for Relations with Cuba. The document spelled out the European Union's goal of promoting human rights and democracy in Cuba and reaffirmed the EU's position to do nothing to worsen the situation for the Cuban people.

This affirmation was an indirect rejection of the U.S. embargo against Cuba. Indeed, EU policy is often a reaction to what the United States says and does. European institutions tend to reject U.S. proposals as attempts to promote American hegemony. In terms of Cuba, this EU stance translates into minimal action on the issue of human rights and an eagerness to invest in Cuba before U.S. firms return to the island, regardless of the human rights situation.

Also affecting European-Cuban relations is the lack of information about Cuba in the EU. The media tend to describe Cuba as a small island that has not lost its spirit or will as it copes with the effects of a 40-year embargo. European discussions about human rights in Cuba are thus often limited by the belief that life there is no worse than in many countries. Because the media and the EU governments have not made efforts to educate the public on the real human rights situation in Cuba, some Europeans understandably want to invest, visit, and even defend Cuba.

Privately, European institutions welcome Cuba's desire to join the Lomé Convention (an agreement between the EU and former colonies in Africa, the Carib-

bean, and the Pacific). If accepted, Cuba would be eligible for financial assistance, a move consistent with the Common Position's goal to increase constructive engagement. In addition, the convention's human rights clause officially gave EU institutions more political and economic power. If Cuba joined Lomé, Cuban officials would have to engage in deeper dialogue or face the possibility of losing EU assistance. However, Cuba withdrew its candidacy after being condemned on human rights at the United Nations April 2000 meeting in Geneva.

MAKING HUMAN RIGHTS A PRIORITY

There is vigorous debate in European capitals about Cuba policy, but human rights is not yet a priority in these discussions. All member states encourage further investment in Cuba as a way of promoting the transition to democracy through the spillover effects of the economic "miracle." But European governments are unwilling to unite to demand that Castro respect internationally recognized human rights such as the International Labor Organization (ILO) Conventions and the Universal Declaration on Human Rights, particularly when these policies affect European companies doing business with Cuba.

It is not that constructive engagement cannot work; on the contrary, the effects can be seen in Cuba. However, constructive engagement and interdependence affect only a small, tightly controlled Cuban elite. European firms, along with Canadian enterprises, have the potential to exert pressure on Cuba precisely because they are Castro's lifeline. If they would agree to demand more justice for their employees—such as direct hiring and fir-

ing practices, direct payment of salaries, freedom to keep a majority of their salaries in U.S. dollars, and freedom to form associations in the workplace—they would greatly help to redistribute economic gains from the elite to the working poor.

European governments have come a long way in defining their economic policy for Cuba; it is time for them to decide on their human rights policy. A start would be an active dialogue with the internal dissidence movement in Cuba, whose members are preparing intellectually for the transition to democracy.

Some Cuban dissidents are advocating reintegration with the international community and a lifting of the U.S. embargo. First, however, they want the core labor rights as expressed in the ILO Conventions to be observed and promoted in Cuba. They are also appealing to foreign investors in Cuba to conduct business in accordance with international law.

If European policy toward Cuba is to succeed, it must move beyond reacting to the U.S.'s Cuba policy. European institutions have the tools and the necessary knowledge to undertake a policy of constructive engagement that respects human rights and supports the Cuban people. They now need the political will. ■

Members of the Cuba Working Group

AFL-CIO Solidarity Center
 American Chamber of Commerce of Cuba in the United States (AmCham Cuba)
 Consejo Mexicano de Comercio Exterior (COMCE)
 The Conference Board of Canada
 Florida International University
 Instituto Tecnológico Autónomo de México (ITAM)
 National Policy Association
 Pax Christi Netherlands
 Prince of Wales Business Leaders Forum
 United Food and Commercial Workers International Union (UFCW)
 U.S. Chamber of Commerce
 U.S. Cuba Business Council
 VNO-NCW (Confederation of Netherlands Industry and Employers)

* Contributor to the article.

(Grenier continued)

Department leaders and training professionals within the CTC are likewise demanding a change in the CTC's acceptance of government policies. They want more linkages to the international labor movement and greater CTC response to workers' changing needs. These internal discussions will, it is to be hoped, develop into full-fledged debates, which will be healthy for the CTC and the workers it claims to represent.

While the government has been quite flexible in bending the rules of the revolution to attract foreign investors, it has been much less flexible in its treatment of workers. Nevertheless, Cuban workers, perhaps through new labor organizations, may begin to influence the government's attitude toward labor rights. Change may also be promoted by the individuals working within the CTC to adjust the system to current global realities. In one shape or another, the long tradition of the Cuban labor movement will continue in the 21st century. ■

National Policy Association Conference on Worker Rights and Best Business Practices in Cuba

June 16, 2000
Mexico City, Mexico

Agenda

Corporate Codes of Conduct

The Current State of Foreign Investment and Worker Rights in Cuba

Case Studies: Private Sector Investment in Cuba

Next Steps for the Promotion of Worker Rights in Cuba

Representatives at the Conference will include:

FirstKey Project Technologies Inc. (Canada)

Instituto de Relaciones Europeo-Latinoamericanas (Spain)

Solidaridad de Trabajadores Cubanos (Venezuela)

U.S. Cuba Business Council (United States)

**For more information, please contact Kaylin Bailey,
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CUBA TODAY

Summer 2000

Vol. I, No. 1

Published by National Policy Association.

This newsletter was made possible through support provided by the Bureau for Latin America and the Caribbean, U.S. Agency for International Development. The views expressed by the authors are their own and do not necessarily represent those of USAID, NPA, or the member organizations of the Cuba Working Group.

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CUBA TODAY

Best Business Practices and Labor Rights

Fall 2000

Vol. 1, No. 2

U.S. Business Reentry into Cuba and Worker Rights

by Robert Weekley

President, American Chamber of Commerce of Cuba in the United States

Commercial relations between Cuba and the United States have been on a long, torturous detour, despite the hopes of reconciliation by many on both sides of the narrow waters that divide the two countries. This more than 40-year estrangement is one of the most enduring, unyielding, and antagonistic relationships that the United States has had with another nation in the past century. During the height of the Cold War, America maintained commercial and diplomatic relations with most members of the Communist Bloc—but not with Cuba. Indeed, after the Cold War, the United States tightened its embargo on Cuba with passage of new, more restrictive legislation in 1992 and 1996. Even the reestablishment of U.S. relations with commu-

nist Vietnam has not inspired the United States and Cuba to find a way to break their impasse.

Before Fidel Castro's revolution and the ensuing U.S. embargo, the geographic proximity and cultural affinity between the two countries had engendered a close economic and cultural relationship. Cuba was a favored place for Americans to vacation, invest, and do business. Likewise, Cubans came to the United States to travel, study, and work.

Hints that the impasse is beginning to yield are in the air. Regardless of the path that change will take, the long detour will end, and the United States will reenter a two-way road of engagement with Cuba. It is only a matter of time.

REENTRY ISSUES

Resumption of commercial ties will bring many issues, old and new. The U.S. experience with reentry into other previously embargoed countries has shown that there will be a period of growing pains, especially in gaining an understanding of the current social, legal, and business systems. Not least among these concerns will be the impact of U.S. business on the

Cubans they employ. When Cuba is open to the United States for business, as it now is to businesses from other countries, Americans may find themselves dealing with a still largely controlled socialist economic system dominated by centralized state planning. Working in a possibly noncapitalist, or transitional, environment will be a challenge for U.S. companies. Lessons learned from working in other socialist countries will not always apply.

By the very act of entering the Cuban economy and employing Cuban workers, American employers will provide a net benefit for Cuba—putting people to work—that will also showcase the benefits of modern U.S. management and technology. But to the extent that U.S. businesses acquiesce in, or support, an exploitative system of employee relations, they are in danger of perpetuating an unacceptable status quo.

It is not new for U.S. businesses to operate in socialist economies dominated by state planning. Nor is it new for American firms to operate in emerging nations where corruption and exploitation often abound. The situation eventually encountered in

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(Weekly continued)

Cuba may be a combination of the two. Those risks will be compounded by the fact that before the revolution U.S. companies had a mixed record in Cuba.

Reentry into Cuba will provide the opportunity for businesses to be alert to ways to improve the labor scene. This can be done by persistent, continued interaction with the Cuban government and by support of worker rights despite a possibly hostile official environment. While Americans do not make the laws or dictate the customs of countries where they are the guests, they can support universal principles of worker rights.



(L to R) Pedro Pérez Castro, Secretary of International Relations, Solidarity of Cuban Workers, was a speaker at NPA's Cuba conference in June 2000, and Oscar Sánchez, Executive Director, Labor Council for Latin American Advancement, was an attendee.

AMCHAM CUBA— ALIVE AND WELL

The American Chamber of Commerce of Cuba in the United States (AmCham Cuba) expects to engage its membership base in playing a key role in the coming transition. Like the other American Chambers of Commerce in nations worldwide, AmCham Cuba is a clearinghouse for U.S. business networking, providing

information and facilitating communication with government organizations on both sides. AmCham Cuba is a conduit to resolve issues, to convey problems, and to bring the parties together that need to interact in resolving problems. The days are past when an American Chamber of Commerce abroad can be thought of as existing to promote U.S. business, regardless of the situation or consequences.

People are often surprised to find out that there is an American Chamber of Commerce of Cuba in the United States after so many years of disrupted commercial relations. Businessmen who led the American Chamber in Havana prior to 1959 left a hostile climate and incorporated the Chamber as a nonprofit organization in Florida in 1960. AmCham Cuba continues to be a contact center for U.S. businesses and individuals with an interest in Cuba.

AmCham Cuba is helping American companies position themselves for the resumption of trade and investment on the island. Its efforts are directed mainly toward providing information and serving as a contact point for U.S. firms who want to "hit the ground running" when they begin doing business in Cuba.

AmCham Cuba holds regular meetings in Washington and Miami and publishes a newsletter that provides accurate, concise, and objective information on Cuba. AmCham Cuba advocates a policy that would allow U.S. firms to pursue commercial opportunities in Cuba while seeking to follow sound business principles consistent with U.S. interests, when conditions permit.

PROMOTING PRINCIPLES OF BUSINESS RESPONSIBILITY

Along with other groups such as the AFL-CIO and the U.S. Chamber of Commerce, AmCham Cuba is an active participant in the National Policy Association's Cuba Working Group. This group is an international collaboration of business and labor leaders, human rights groups, and others who are developing a strategy for fostering democracy and human and labor rights in Cuba. AmCham Cuba has publicized to its members the work of this group and the "Principles for Private Sector Investment in Cuba" that the Working Group has formulated. AmCham Cuba also has provided information about the internationally promoted "Sullivan Principles of Corporate Social Responsibility" to its corporate members. An impressive number of U.S. and international corporations already support the Sullivan Principles, including General Motors, Chevron, Shell International, Proctor and Gamble, and Pfizer.

U.S. business reentry into Cuba obviously will bring multiple challenges, including the issue of fostering better rights and standards for Cuban workers. AmCham Cuba does not see this as cause for any intrusive government regulation of U.S. business operating abroad. American firms are experienced in assessing and dealing with threats to ethical and internationally recognized business practices. They are today's global leaders in promoting labor rights and standards that go far beyond the protections afforded to workers by the host country.

Cuban Sweat for Sale

by Guillermo Cueto

Regional Director, U.S.-Cuba Business Council

A fundamental objective of any for-profit corporation such as a foreign investor is to be as profitable as possible in its business endeavors. In Cuba, however, no business enterprise, foreign or domestic, can achieve the expected rate of return on its investment or projected revenues for a number of reasons.

THE BOTTOM LINE FOR FOREIGN INVESTORS

All business enterprises belong to the Cuban government, including joint ventures that are made up of a foreign investor and the government. The government regulates the salary of each worker, who is paid in Cuban pesos, even though foreign investors pay the government in U.S. dollars. The average worker employed by a joint venture earns between 3-15 pesos per day or about 100-450 pesos per month. This salary is equivalent to US\$0.15-\$0.75 per day or about \$4.50 to \$22.50 per month. A worker earning a monthly salary of 100-450 pesos can afford to buy for the family the following groceries (per month): 6 pounds of rice; 2 pounds of dried beans; 5 pounds of sugar; 2 pounds of salt; 2 pounds of fish; 2 pounds of ground beef; 2 pounds of coffee; 6 pounds of fresh vegetables; and 10 eggs. This is the equivalent of the family's total monthly purchasing power. Finally, there is only one labor union, and it is totally controlled by the Cuban Communist Party.

Workers thus have little incentive

to perform their jobs. Production invariably falls short of projections, and company revenues are considerably lower than expected. The low salaries and the scarcity of food throughout Cuba compel workers to steal from the workplace, including food from foreign hotels and restaurants. Workers barter the stolen items on the black market for food to feed their families.

Cuban workers feel exploited and resent the unjust and inhumane control of the Cuban government over their lives. They blame the deplorable contractual agreements structured by the Cuban government—with the “complicity” of foreign investors—for their ignominious existence. But because of the highly repressive nature of the Cuban security force, workers do not protest the government's human rights violations; rebellion would mean immediate imprisonment. There are, however, sporadic acts of violence against the property of foreign companies, acts that demonstrate the Cuban labor force's growing rejection of foreign enterprises.

The Cuban workforce is therefore deprived of morale, motivation, dignity, and pride. The bottom line for foreign investors is poor performance, curtailed productivity, and low revenues.

FAIRER CONTRACTS

For financial and commercial reasons alone, it would be to the advantage of the foreign investor to negoti-

ate tight contracts with the Cuban government that would compensate workers fairly. Perhaps through coordinated efforts of a group of investors, foreign firms could adopt a series of minimum standards when structuring and negotiating their joint ventures with the government that would not only improve the lives of Cuban workers, but also the companies' financial health. Such a contract would establish good relations and solidarity between foreign employers and Cuban employees. It would also acknowledge and support the right of every Cuban to create or join independent labor unions that represent the worker's best interests. Ultimately, these kinds of contracts would help to strengthen Cuba's civil society, enabling the Cuban people to implement a transition to a free, democratic system, with ensuing widespread progress and sustained economic development and well-being for the entire Cuban nation.

The Universal Declaration of Human Rights, adopted by the United Nations in 1948, proclaims that “all human beings are born free and equal in dignity and rights” and that “they are endowed with reason and conscience and should act toward one another in a spirit of brotherhood.” Every individual and group in society—including Cuban society—should be able to enjoy these rights and freedoms and to promote respect for them to ensure their universal recognition and observance.

Business Guide to Cuba

Business Guide to Cuba has more than 300 pages of commercial intelligence on key industries and politics. It is published by CubaNews, the authoritative source of business information on Cuba. Sections on e-commerce, biotech, real estate, tourism, mining, oil, gas, and electricity provide insight into Cuba's emerging sectors. Additional chapters focus on other industries, including manufacturing, agriculture, housing, and sugar. Extensive information on Cuba's leadership, politics, infrastructure, labor, and legal framework round out this complete overview. Filled with new statistics and exclusive maps, *Business Guide to Cuba* offers in-depth information on more than 99 percent of the Cuban economy.

Available at a special price of \$399 for NPA members—a savings of more than 15 percent over the original price. To order, call (202) 543-5076 or fax (202) 546-8929.

See www.cubanews.com for more information, sample chapters, and table of contents.

Doing Business in Cuba the Right Way

On June 16, 2000, NPA held a conference in Mexico City on "Worker Rights and Best Business Practices in Cuba." Speaking at the conclusion of the conference, Pedro Pérez Castro, Secretary of International Relations of the labor group Solidarity of Cuban Workers, told the audience: "This conference has helped to open a new path in promoting internationally recognized labor standards. I have met people of good will who toil to be successful in their businesses and who also hope to put into practice the ethics that protest worker exploitation and abuse. My brothers and sisters in Cuba now know this, and they wait."

Members of the Cuba Working Group

AFL-CIO Solidarity Center
American Chamber of Commerce of
Cuba in the United States
(AmCham Cuba)
Consejo Mexicano de Comercio
Exterior (COMCE)
The Conference Board of Canada
Florida International University
Instituto Tecnológico Autónomo de
México (ITAM)
National Policy Association
Pax Christi Netherlands
Prince of Wales Business Leaders
Forum
United Food and Commercial Workers
International Union (UFCW)
U.S. Chamber of Commerce
U.S. Cuba Business Council
VNO-NCW (Confederation of
Netherlands Industry and Employers)

CUBA TODAY

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Published by National Policy Association.

This newsletter was made possible through support provided by the Bureau for Latin America and the Caribbean and U.S. Agency for International Development. The views expressed by the authors are their own and do not necessarily represent those of USAID, NPA, or the member organizations of the Cuba Working Group.

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CUBA TODAY

Best Business Practices and Labor Rights

Winter 2001

Vol. I, No. 3

The Arcos Principles—Then and Now

by George Plinio Montalván

Senior Management Analyst, Inter-American Development Bank

When Rolando Castañeda and I prepared the Arcos Principles in late 1993, modeled after the Sullivan Principles, we were under no illusions about their application. First, it was immediately clear that important organizations in the Cuban community would not support the principles on the grounds they could be a means of, or a pretext for, lifting the U.S. embargo. Second, the Sullivan Principles were largely a U.S. initiative based on (a) the significant presence of U.S. corporations in South Africa that could pose a credible threat by disinvesting and (b) on linkage of anti-apartheid actions with the U.S. civil rights movement,

one of the defining issues of the last half of the 20th century in this country. We tried to make the case that a kind of apartheid exists in Cuba in terms of access by ordinary Cubans to facilities operated by joint ventures with foreign investors. However, neither of the overriding factors of the Sullivan Principles was applicable to Cuba, thus significantly reducing the feasibility of applying the Arcos Principles.

Today, at the Castro regime's forty-second anniversary, the situation regarding joint ventures and violation of labor rights remains largely unchanged. The question is, therefore, has anything changed in the international environment that could favor implementation of best business practices (BBP)? Further, if there has been a change, what could be some points for a strategy to bring about at least partial implementation?

THE INTERNATIONAL ENVIRONMENT

The Cuban Community

Over the past eight years, thinking in the Cuban community has evolved regarding the embargo. During the first half of the 1990s, it was thought that the embargo could become a decisive factor

in ousting a regime significantly weakened by the collapse of the socialist bloc. This reasoning led to the enactment in a national election year (1992) of the Torricelli law. By the next national election year (1996), the idea was to punish foreign investors, seen to be the regime's saviors, through the Helms-Burton law. Many attribute the continued growth of foreign investment and tourism to President Bill Clinton's suspension of application of Title III; some undoubtedly look forward to its implementation under President George Bush, regardless of its implications vis-à-vis other countries.

The thinking of many in the Cuban community has thus evolved from trying to overthrow the Castro regime to developing actions or policies that promote transition rather than succession when Castro dies. The community's influence on Cuba policy—thought to have been irreparably weakened by Jorge Mas Canosa's death and the Elián González episode—has no doubt been revived by the community's crucial election support for President Bush.

U.S. Policy

The situation in the United States has also changed considerably regarding Cuba. During the early 1990s, it was

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(Montalván continued)

thought that the disappearance of the socialist bloc, together with pressure exerted by the embargo, would inevitably force the Cuban regime to liberalize its economic policies and to reduce its human rights violations. Track II of the Torricelli law was designed to this end, and many Cuba experts expected Castro to respond to the combination of pressure and a quid pro quo approach from the United States.

However, by the beginning of 1997, many considered it certain that there would be no significant liberalization in Cuba, and they argued that any modification of U.S. policy should respond to considerations related to the national interest. The national interest meant that, upon Castro's demise, it was important to avoid prolonged bloodshed and chaos that might lead to intervention, drug trafficking, international criminal activities, and a considerable flow of refugees. To some, the policy response could be a relaxation or lifting of the embargo without reestablishing diplomatic relations, under certain conditions; those conditions would not favor succession, but would attempt to build bridges and develop a new class of potential "losers" from social disruption that would help prevent a bloody upheaval.

To this thinking add the preoccupation of withholding food and medicine from a needy population, the increased pressure from the U.S. business community against embargo policies in general, and the interest in countering the development of competitive advantage in Cuba by European and Canadian investors. The result has been a series of proposals, including recommendations by the Council on Foreign Relations for an "independent" study of labor rights in Cuba.

The EU's Approach

Throughout the 1990s, the European Union (EU), led by Spain, took the position of engaging Cuba through investment and full diplomatic relations to foster liberalization and respect for human and labor rights. Indeed, the socialist government of Felipe González was Cuba's strongest international supporter. The election of José María Aznar and the Partido Popular in early 1996 with the solid support of the business sector spelled continuity for the policies of encouraging investment and trade with Cuba.

It should be noted that Spain's most important labor unions, the UGT and CCOO, defended the Castro regime despite its violations of labor rights. This policy of engagement was maintained even after Manuel Marín, the Spanish minister for the EU, traveled to Cuba in a futile attempt to convince Castro to liberalize. (Indeed, Marín's experience led most policy-makers on both sides of the Atlantic to accept the premise that Castro would never liberalize.) Nonetheless, yet another "European" attempt to encourage liberalization came in 1998 with Pope John Paul's trip to the island, where he repeatedly stressed the need to open up "space" for Cubans to have more direct control over their lives. The futility of this approach is well-documented in Pax Christi's fifth report on Cuba in September 2000. The question at present is what will be the impact of Castro's refusal to endorse a resolution condemning ETA (the Basque separatist organization) at the recent Ibero-American summit, not so much in terms of Spain's and the EU's approach to Cuba, but rather vis-à-vis the United States when negotiations on Title III of Helms-Burton take place.

CONCLUSION

From this viewpoint, the situation in the United States in 2001 is likely to combine an initial reluctance by President Bush to suspend application of Title III of Helms-Burton—leading to negotiations with the EU—with a continuation of pressures to lift the embargo. Perhaps Arcos/BBP can somehow be included in the EU/U.S. solution to Title III. However, the Cuban regime will never accept implementation by joint ventures of Arcos/BBP, for that would create a sizable and growing class of high wage individuals acting independently of the state. On the other hand, this very fact might make Arcos/BBP an acceptable condition to the Cuban community for lifting or relaxing the embargo.

Propagation of Arcos/BBP may be possible, but is implementation? An activist approach by Western governments might provide a test and perhaps lead the way. Embassies in Havana operate under the same restrictions and participate in the same labor rights violations as joint ventures—paying Cubalse, S.A., the state employment agency, in dollars for workers (state security operatives) supplied, while Cubalse pays them approximately 10 percent of their dollar wages in pesos. Private investors operating in Cuba are unlikely to try to implement Arcos/BBP if Western governments are unwilling to take the first step. •

The views expressed in this article are those of the author and in no way represent the official views of the Inter-American Development Bank.

Fifth Report on Cuba

Pax Christi Netherlands

RECOMMENDATIONS

Pax Christi believes that the U.S. embargo and Cuba's isolation do not serve to improve the lives of the Cuban people, and it welcomes the new measures in the United States. However, if the international community wants to be effective about encouraging a peaceful transition to democracy and respect for human rights, it will have to rethink its strategy for Cuba. The international community has decided to make Cuba a special case in international relations and should implement policies that in the long term will benefit the Cuban people instead of the current government. As long as the Cuban government is able to dictate terms to the international community, there is no realistic chance that the regime will give up power now or after Castro dies. The only hope for Cuba's dissident groups and civil society is for the international community to develop a common and proactive strategy. The following are recommendations to further this discussion.

International Community and Investment

As long as the international community is divided, the Cuban government will be able to exploit these differences and dictate terms to increasingly frustrated governments. Only through a common framework that demands basic internationally recognized rights, such as the fundamental International Labor Organization (ILO) conventions, can the international community have a positive long-term effect in Cuba. Canada, the European Union (EU), and the United States should set up a dialogue aimed at over-

coming their differences in this area. Together they should work for the right to contract, pay, and promote workers directly without government interference. Independent labor unions and collective bargaining should be demanded as a condition for investment, as well as the possibility of private enterprise and property for Cubans. Political discrimination in employment should not be accepted. The famous business guidelines for foreign investors as expressed by Cuban dissidents in the *Principios Arcos* (1994) should be known and seriously taken into account by all foreign investors.

Keep Up the Spirit of the Common Position (Brussels 1996)

In the past decade, the international community has responded to the plight of the Cuban people and economy by granting humanitarian and financial aid and investment to Cuba. In return, the Cuban government has done nothing more than repress its people. The international community should not increase its economic assistance until the Cuban government moves to recognize independent groups, such as free labor unions, to allow freedom of expression and association and release of political prisoners. International human rights organizations should be given access to the island, and the International Red Cross should be permitted to visit the numerous prisons.

U.S. Example to the Europeans

U.S. policy is slowly becoming more open. American businesses should set an example for their European competitors by insisting that internationally recognized labor rights be observed before they invest. The National Policy Association, an association of Canadian-U.S.-Mexican entrepreneurs and labor unions, has issued a series of valuable recommendations on the subject.

EU Policy

EU policy is in disarray and has lost credibility. European governments are more worried about what other European governments are doing in Cuba than about the effectiveness of their policies. The EU should ensure an overhaul of its policy to better reflect European values and respect for human rights and democracy. EU policy should also outline how European governments will ensure that their initiatives do not in the long term create a new system, which will continue to oppress the Cuban people.

European and Canadian Investors

Foreign investment as a tool for constructive engagement is useful only if it is accompanied by safeguards for the people. Otherwise, protecting foreign investment will become the main priority of foreign governments. Respect for national laws must be weighed against respect for international standards of human rights. The EU and Canada, as the main foreign investors in Cuba, have the power to demand that certain rights be observed as a precondition for further investment. They should discuss how to safeguard the human rights of Cubans working in foreign firms and should define guidelines for foreign investors.

Include Internal Opposition

Most foreign governments have developed policies for Cuba, which do not take into account the views of Cuban civil opposition. Because they have chosen to have the Cuban government as their partner, their strategies indirectly make dissidents an obstacle. Governments should focus less on their own ideas of how Cuba should be transformed and more on what the people of Cuba are demanding. The previously mentioned *Principios Arcos* are guidelines that should be observed in the first place.

This article reprints the "Recommendations" in "The European Union and Cuba: Solidarity or Complicity?" *Fifth Report on Cuba*, by Pax Christi Netherlands (Utrecht, Sept. 2000), pp. 31-32; reprinted by permission, Pax Christi Netherlands.

(Pax Christi continued)

Include Miami

Europeans generally view the Cuban exile community in Miami through the prism of the transatlantic relationship. Furthermore, they accuse the exiles of wanting to go back and reclaim what was rightfully theirs in 1959. European governments should take into account that Cuban American exiles are also victims and should be included in international discussions on the future transition.

Support Civil Society

Harassment of dissidents and independent initiatives by civil society has become much more institutionalized and subtle. Dissidents are not only harassed, but their belongings are also constantly confiscated. They are often not allowed to work or participate in the social and economic life of the country. Therefore, the EU should set aside special funds to help these groups and to support independent civil society initiatives on a long-term basis. •

Cuba Today's Future Look

Beginning with the March 2001 issue, CUBA TODAY will be published in both English and Spanish, with eight pages of industry-specific information for potential and current investors in Cuba. The March issue will look at the tourism industry, with subsequent issues exploring foreign enterprises in Cuba in telecommunications, agriculture, and mining. CUBA TODAY provides dialogue on interactions between Cuban workers and foreign investors in the region.

2nd Annual Cuba Conference

On June 1 in Montreal, the Cuba Working Group will hold its second "Conference on Best Business Practices in Cuba," the first having been held in Mexico City in June 2000. Business and labor representatives will focus on ways to promote best business practices among corporations with existing investments in Cuba.

For details, contact Kaylin Bailey, Program Director, kbailey@npa1.org.

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- AFL-CIO American Center for International Labor Solidarity (ACILS)
- American Chamber of Commerce of Cuba in the United States (AmCham Cuba)
- Consejo Mexicano de Comercio Exterior (COMCE)
- The Conference Board of Canada
- Florida International University
- Instituto Tecnológico Autónomo de México (ITAM)
- National Policy Association
- Pax Christi Netherlands
- Prince of Wales Business Leaders Forum
- United Food and Commercial Workers International Union (UFCW)
- U.S. Chamber of Commerce
- U.S. Cuba Business Council
- Confederation of Netherlands Industry and Employers (VNO-NCW)

CUBA TODAY

Winter 2001

Vol. 1, No. 3

Published by National Policy Association.

This newsletter was made possible through support provided by the Bureau for Latin America and the Caribbean, U.S. Agency for International Development. The views expressed by the authors are their own and do not necessarily represent those of USAID, NPA, or the member organizations of the Cuba Working Group.

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Los Principios Arcos, Antes y Actualmente

por Jorge Plinio Montalván

Analista Directivo Superior, Banco Interamericano de Desarrollo

Cuando, junto con Rolando Castañeda, preparamos los Principios Arcos a fines de 1993, según el modelo de los Principios Sullivan, no nos hicimos ilusión alguna sobre la aplicación de los mismos. Primeramente, quedó inmediatamente en claro que importantes organizaciones de la comunidad cubana no apoyarían los principios, basándose en que podrían ser un medio o pretexto para levantar el embargo impuesto por los Estados Unidos. En segundo lugar, los Principios Sullivan eran en gran parte una iniciativa estadounidense basada en (a) la presencia significativa de empresas estadounidenses en Sur África que podrían constituir una amenaza convincente si procedieran a desinvertir y (b) la vinculación de las acciones anti-apartheid con el

movimiento de derechos civiles en EE UU, uno de los temas prominentes del Siglo XX en este país. Nosotros tratamos de argumentar que en Cuba existe una modalidad de apartheid, en lo referente al acceso de los cubanos del común a instalaciones administradas por empresas conjuntas con inversionistas extranjeros. Con todo, ninguno de los factores decisivos de los Principios Sullivan era aplicable en Cuba, reduciendo así en gran manera la factibilidad de aplicar allí los Principios Arcos.

Hoy día, XLII aniversario del régimen de Castro, la situación de las empresas conjuntas y las violaciones de derechos laborales sigue virtualmente sin cambio. Por tanto, el interrogante consiste en saber si ha ocurrido algún cambio en el ambiente internacional que favorezca la aplicación de mejores prácticas comerciales (BBP). Además, si ha habido algún cambio, ¿cuales serían algunos de los puntos que servirían de estrategia para establecer, como mínimo, una aplicación parcial?

EL AMBIENTE INTERNACIONAL

La Comunidad Cubana

En los últimos ocho años, el parecer de la comunidad cubana sobre el embargo ha evolucionado. Durante la primera mitad de la década de 1990 se creía que el embargo podría ser un factor decisivo para expulsar un régimen debilitado apreciablemente por el colapso del bloque so-

cialista. Ese razonamiento condujo a la promulgación de la ley Torricelli en un año de elecciones nacionales (1992). En el año de elecciones nacionales siguiente al anterior (1996) el objetivo consistía en castigar, con la ley Helms-Burton, a los inversionistas extranjeros considerados como salvadores del sistema. Hay muchos que atribuyen el crecimiento de la inversión externa y del turismo a la suspensión del Título III de la ley por el presidente Bill Clinton; y otros más indudablemente esperan la aplicación de ese Título durante el gobierno del presidente George Bush, sin considerar su efecto respecto a otros países.

Como resultado, el parecer de muchos en la comunidad cubana ha evolucionado, pasando de los intentos de derrocar el régimen castrista a la elaboración de medidas o políticas que promuevan la transición y no la sucesión cuando Castro muera. La influencia de la comunidad sobre la política relacionada con Cuba, que se creía debilitada irreparablemente con la muerte de Jorge Mas Canosa y el episodio de Elián González, indudablemente ha sido reactivada por la importancia crítica del apoyo electoral prestado por la comunidad al presidente Bush.

Política de los Estados Unidos

En lo que concierne a Cuba, la situación en los Estados Unidos también ha

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cambiado considerablemente. En los primeros años de la década de 1990, se creía que la desaparición del bloque socialista, junto con la presión del embargo, inevitablemente obligarían al régimen cubano a liberalizar sus políticas económicas y a reducir sus violaciones de los derechos humanos. La segunda parte de la ley Torricelli se proponía alcanzar ese fin, y muchos de los expertos en Cuba esperaban que Castro reaccionaría ante la presión, aunada al enfoque *quid pro quo* de los Estados Unidos.

Sin embargo, a principios de 1997 ya había muchos que consideraban un hecho que en Cuba no habría liberalización significativa, y afirmaban que cualquier modificación de la política de EE UU debería basarse en consideraciones de interés nacional. Interés nacional quería decir que era importante evitar que el fallecimiento de Castro trajera consigo el derramamiento de sangre y un caos prolongado que podría ocasionar la intervención, el tráfico de drogas, actividades delictuosas internacionales, y una oleada de refugiados. Para algunos, la reacción política podría ser una disminución o levantamiento del embargo sin restablecer relaciones diplomáticas, bajo ciertas condiciones; condiciones que no favorecerían la sucesión, sino tratarían de establecer puentes y generar una nueva clase de "perdedores" potenciales en los trastornos sociales que ayudaría a impedir un cataclismo social sangriento.

A esa manera de pensar agréguese la preocupación de retener alimentos y medicinas destinados a una población necesitada, y la creciente presión de la comunidad empresarial estadounidense contra la política de embargo, en términos generales, y el interés en contrarrestar el desarrollo de una política competitiva en Cuba por inversionistas canadienses y europeos. El resultado ha sido una serie de propuestas que incluyen recomendaciones del Consejo de Relaciones Exteriores para efectuar un estudio

"independiente" de los derechos sindicales en Cuba.

Enfoque de la Unión Europea

Durante la década de 1990, la Unión Europea (UE), encabezada por España, adoptó la posición de atraer a Cuba con inversiones y relaciones diplomáticas completas con el fin de promover la liberalización y el respeto de los derechos humanos y sindicales. En realidad, el gobierno socialista de Felipe González fue el principal promotor internacional de Cuba. La elección de José María Aznar y del Partido Popular a principios de 1996, gracias al apoyo sólido del sector comercial, señaló la continuidad de la política de estimular la inversión y el comercio con Cuba.

Conviene advertir que los sindicatos obreros más importantes de España, la UGT y el CCOO, defendieron el régimen castrista a pesar de sus violaciones de los derechos sindicales. Esta política de atraer a Cuba se mantuvo aún después del viaje a Cuba de Manuel Marín, Ministro de España ante la UE, con el futil intento de convencer a Castro de la utilidad de liberalizar. (Realmente la experiencia de Marín hizo que la mayor parte de los políticos de los dos extremos del Atlántico aceptaran la premisa de que Castro nunca liberalizaría.) Sin embargo, en 1998 hubo otro intento "europeo" de estimular la liberalización en 1998 con el viaje del Papa Juan Pablo II a la isla, durante el cual insistió repetidamente en la necesidad de abrir más "espacio" para dar a los cubanos más control sobre sus vidas. La futilidad de ese intento quedó bien documentada en el quinto informe de Pax Cristi sobre Cuba, en septiembre de 2000. De lo que se trata actualmente es del efecto que tuvo la negativa de Castro a respaldar una resolución de censura a la ETA (organización separatista vasca) en la reciente reunión cumbre ibero-americana. No tanto del efecto sobre España y el enfoque de la UE hacia Cuba, sino con re-

specto a los Estados Unidos en las negociaciones del Título III de la ley Helms-Burton.

CONCLUSIÓN

Desde ese punto vista, la situación en los Estados Unidos en el 2001 probablemente será una combinación de resistencia inicial por parte de Bush a suspender la aplicación del Título III de Helms-Burton—que conduciría a negociaciones con la UE—y de la continuación de las presiones para levantar el embargo. Bien puede ser que las Arcos/BBP se incluyan de un modo u otro en la solución UE/EE UU al Título III. Sin embargo, el régimen cubano nunca aceptaría la aplicación de los Arcos/BBP por las empresas conjuntas, pues así se crearía un grupo considerable y expansivo de individuos con altos salarios que actuarían con independencia del estado. Por otra parte, esa situación podría hacer los Arcos/BBP una condición aceptable a la comunidad cubana para levantar o aflojar el embargo.

La propagación de los Arcos/BBP puede ser posible, ¿pero lo sería también su aplicación? Es posible que una actitud activista de los gobiernos del Occidente sirva de prueba y muestre el camino. Las embajadas extranjeras en la Habana actúan con las mismas restricciones y son parte de las mismas violaciones que las empresas conjuntas, pagando en dólares a Cubalse, S.A., la oficina de empleo del gobierno, por los trabajadores que le proporciona (operarios de seguridad). Cubalse, por su parte, paga aproximadamente 10% de los dólares que recibe, en pesos, a dichos trabajadores. Es improbable que los inversionistas con operaciones en Cuba estén dispuestos a dar ese primer paso. •

Las opiniones expresadas en este artículo son las del autor y no representan en manera alguna el criterio oficial del Banco Interamericano de Desarrollo.

Quinto Informe Sobre Cuba

Pax Christi Holanda

RECOMENDACIONES

Pax Christi cree que la política de embargo y el aislamiento hacia Cuba no contribuye a mejorar la vida del pueblo cubano por lo que acoge positivamente las nuevas medidas del gobierno de los Estados Unidos. Si la comunidad internacional desea contribuir efectivamente a fomentar una transición pacífica a la democracia y por el respeto de los derechos humanos en Cuba, tendrá que repensar sus estrategias. La comunidad internacional ha decidido hacer de Cuba un caso especial en las relaciones internacionales, mas debería implementar una política que a largo plazo beneficie al pueblo de Cuba y no al actual gobierno. Mientras el gobierno cubano sea capaz de imponer condiciones a la comunidad internacional, no existe posibilidad real de que el régimen ceda el poder ahora o después del deceso de Castro. La única esperanza para los grupos disidentes y la sociedad civil es que la comunidad internacional desarrolle una estrategia activa y común en su favor. A continuación aparecen recomendaciones para promover esta discusión:

La Comunidad Internacional y la Inversión

Mientras la comunidad internacional esté dividida, el gobierno cubano será capaz de explotar esas diferencias para dictar los términos a los cada vez más frustrados gobiernos. La comunidad internacional podrá ejercer un efecto positivo a largo plazo en Cuba solo tras la creación

de una plataforma de trabajo común que exija los derechos básicos internacionalmente reconocidos, como los convenios de la Organización Internacional de Trabajadores (OIT). Canadá, Unión Europea (EU), y los EE UU deben entablar un diálogo con el fin de solucionar las diferencias. Juntos deberán trabajar por el derecho a contratar, pagar y promover a los trabajadores sin interferencia del gobierno. Sindicatos de trabajadores independientes, y el derecho a la negociación deben ser exigidos como condición para la realización de inversiones, así como el derecho de los cubanos a poseer empresas y propiedad privada. La discriminación política en el empleo no debe ser aceptada. Las famosas directrices comerciales para inversionistas extranjeros según expresaban disidentes cubanos en los *Principios Arcos* (1994) deben ser estudiadas y tomadas en cuenta por los empresarios foráneos.

Mantener el Espíritu de la Posición Común (Bruselas 1996)

Durante la pasada década, la comunidad internacional ha respondido a la difícil situación del pueblo cubano y la economía del país a través de la concesión de ayuda humanitaria y financiera e inversiones para Cuba. A cambio, el gobierno cubano no ha hecho más que reprimir a su pueblo. La comunidad internacional no debe incrementar su apoyo económico hasta que el gobierno cubano se disponga a reconocer a los grupos independientes, como los sindicatos libres, permita la libertad de expresión y asociación y libere a los presos políticos. A organizaciones internacionales de derechos humanos debe dársele acceso a la isla así como se le debe permitir a la Cruz Roja Internacional el acceso a las numerosas prisiones.

El Ejemplo de los EE UU para los Europeos

La política de los EE UU se está flexibilizando. Las empresas norteamericanas deben dar el ejemplo a sus competidores europeos insistiendo en el reconocimiento de los derechos laborales internacionalmente reconocidos antes de realizar la inversión. La National Policy Association, una asociación de empresarios y sindicatos canadienses, mejicanos, y norteamericanos, emitió un grupo de recomendaciones valiosas sobre el asunto.

Política de la Unión Europea

La política de la UE se ha resquebrajado y ha perdido credibilidad. Los gobiernos europeos están más preocupados por las operaciones de sus homólogos europeos en el país que por la ineffectividad de sus políticas. La UE debe reestructurar su política para alcanzar una mejor proyección de los valores europeos y el respeto por los derechos humanos y la democracia. La Unión Europea debe hacer énfasis en cómo los gobiernos europeos podrán asegurarse de que sus prácticas, a largo plazo, no propiciarán la creación en Cuba de un nuevo sistema que continúe oprimiendo al pueblo cubano.

Inversionistas Canadienses y Europeos

La inversión extranjera como herramienta para relaciones constructivas, es únicamente provechosa si se complementa con seguridad para el pueblo. De lo contrario, la protección de las inversiones se convertiría en la mayor prioridad para los gobiernos extranjeros. El respeto a las leyes nacionales debe sopesarse ante el respeto a las normas internacionales de derechos humanos. La UE y Canadá, países inversionistas de mayor presencia en Cuba, tienen el poder para exigir el respeto de determinados derechos como

El presente artículo es una reimpression de las "Recomendaciones" que aparecen en "La Unión Europea y Cuba: ¿Solidaridad o Complicidad?" *Quinto Informe Sobre Cuba*, por Pax Christi Holanda (Utrecht, sept. 2000), pp. 31-32; reimpresso con el permiso de Pax Christi Holanda.

(continuación de Pax Christi)

precondición para futuras inversiones. Deben discutir cómo salvaguardar los derechos humanos de los trabajadores cubanos en firmas extranjeras y definir preceptos a seguir por los empresarios foráneos.

Incluir a la Oposición Interna

La mayoría de los gobiernos extranjeros han desarrollado políticas para Cuba que no toman en cuenta los criterios de la oposición civil cubana. Debido a que han elegido al gobierno cubano como su socio, sus estrategias hacen, indirectamente, de los opositores un obstáculo. Los gobiernos deberían concentrarse menos en sus propias ideas sobre cómo transformar a Cuba y atender más las demandas de los propios cubanos. Los anteriormente mencionados *Principios Arcos*, son directrices que tienen que ser observadas en primer lugar.

Incluir a Miami

Los europeos ven, por lo general, a la comunidad cubana en el exilio a través

del prisma de las relaciones trasatlánticas. Además, acusan a los exiliados de anhelar un retroceso para reclamar lo que era lícitamente suyo. Los gobiernos europeos deben considerar que los exiliados cubano-americanos son también víctimas y deben ser incluidos en discusiones internacionales sobre una futura transición.

Apoyar a la Sociedad Civil

El hostigamiento de los disidentes y toda iniciativa independiente de la sociedad civil se ha institucionalizado cada vez más a la vez que se ha vuelto más sutil. No solo son hostigados, sus posesiones son constantemente confiscadas. A menudo se les niega el derecho a trabajar o a participar de la vida social y económica del país. Por todo ello, la UE debe crear fondos especiales para la ayuda de estos grupos y apoyar iniciativas independientes de la sociedad civil a largo plazo. •

Presentación Futura de *Cuba Today*

A partir de la edición de marzo 2001, *CUBA TODAY* será publicado en inglés y en español, con ocho páginas de información industrial específicas sobre Cuba. En la edición de marzo se hará una reseña sobre la industria de turismo, y las ediciones siguientes enfocarán en las empresas extranjeras en los sectores de telecomunicaciones, agricultura, y minería establecidas en Cuba. *CUBA TODAY* provee un diálogo sobre las interacciones entre trabajadores cubanos e inversionistas extranjeros.

Segunda Conferencia Anual Sobre Cuba

El 1ro. de junio próximo, el Grupo de Trabajo sobre Cuba realizará en Montreal su segunda "Conferencia Sobre las Mejores Prácticas Comerciales en Cuba." La primera conferencia tuvo lugar en la Ciudad de México en junio del 2000. Representantes de empresas y sindicatos pondrán de relieve los medios de promover las mejores prácticas comerciales en las empresas que actualmente tienen inversiones en Cuba. Para obtener detalles, comuníquese con Kaylin Bailey, Directora del Programa, kbailey@npal.org.

CUBA TODAY

invierno de 2001

Vol. I, No. 3

Published by National Policy Association.

Este boletín informativo ha sido posible con el apoyo del Bureau for Latin America and the Caribbean, Agencia para el Desarrollo Internacional. Los puntos de vista expresados son los de los autores y no representan necesariamente los de la USAID, NPA, o las organizaciones miembros del Grupo Internacional de Trabajo sobre Cuba.

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CUBA TODAY

Best Business Practices and Labor Rights

Spring 2001

Vol. 2, No. 1

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Cuba Today presents a four-part series exploring foreign investment in Cuba. This issue looks at tourism, one of the country's largest and fastest-growing industries. Tourism is currently the island's number one hard currency earner.

Cuba Today serves as a forum for dialogue on the interactions between labor and business in Cuba. The tourism industry is especially illustrative of these dynamics as foreign investment surges, chal-

lenging the status quo of many Cuban workers.

The following articles on Cuba's tourism industry focus on promoting debate about best business practices in the region. Subsequent issues will explore agriculture, telecommunications, and heavy industry such as mining. Each sector is playing an increasingly lucrative role in the development of the Cuban economy and in the improvement of the quality of life for Cuban citizens.

Tourism Continues to Grow, but Profits Lag

by Jason Feer

Publisher, CubaNews

The number of tourists visiting Cuba in 2000 continued to rise, but the growth in profits slowed considerably. Cuba hosted 1.774 million tourists in 2000, well below the 2 million arrivals planned at the beginning of the year. Nevertheless, this number was 10.7 percent more than the 1.602 million visitors in 1999. However, Cuban officials say that total revenue from tourism increased by just \$16 million in 2000 to \$1.917 billion. This meant a meager increase of 0.8 percent over 1999's total.

Costs in the industry remain high, a concern for foreign investors. Official figures indicate that expenses account for \$0.78 of each dollar of tourism revenue. Total profits last year were \$421 million, about half of which went to foreign partners in tourism joint ventures. In terms of profitability, tourism is well behind the nickel industry and remittances from abroad, even though tourism is the country's largest earner of hard currency revenue. Cuban officials blame the decline in profitability on

the devaluation of the euro against the U.S. dollar, which has made trips to Cuba more expensive, as well as on higher air fares resulting from increased fuel costs.

However, expenditures for tourists have been dropping for some time. In 2000, per capita expenditures were \$1,080, down from \$1,186 in 1999. Per visitor expenditures have fallen for five consecutive years. There has been a 27 percent decrease since 1995.

One explanation for this drop is that Cuba tends to cater to low cost

packages for tourists. Although Tourism Minister Ibrahim Farradaz recently denied that Cuba was cutting its prices to attract more visitors, there is anecdotal evidence from some travel agents to the contrary. In addition, Cuba may be reducing prices for some entertainment and services in response to complaints that the island is too expensive.

Another major problem in the tourism sector is the very low rate of return visitors. Widespread complaints from tourists about poor service, mediocre food, and the high cost of everything from drinks to gasoline prevent many island visitors from coming back. Tourists in general appear to be willing to put up with such inconveniences if the destination is inexpensive, but Cuba is not much cheaper than other Caribbean vacation spots. Although the packages, which typically include airfare, room, and breakfast, are low cost, the Cubans try to compensate by charging high prices for drinks, food, and attractions.

Indications are that 2001 may be a good year for the tourist industry.

	Number of Visitors per year	Average Stay (Days)	Total Revenue (Mil. US\$)	Average Revenue per Tourist (US\$)	Spending per Tourist per Day (US\$)
1988	225,000	n/a	189.0	840.0	n/a
1989	326,000	n/a	204.0	625.8	n/a
1990	340,329	8.7	243.4	688.2	79.1
1991	424,041	8.7	387.4	948.1	109.0
1992	460,610	9.1	567.0	1,193.0	131.1
1993	546,023	9.6	720.0	1,318.7	137.4
1994	619,218	9.1	850.0	1,373.2	150.9
1995	745,495	8.7	1,100.0	1,474.5	169.5
1996	1,004,336	7.3	1,333.0	1,327.7	181.9
1997	1,170,083	11.3	1,543.0	1,318.7	116.7
1998	1,415,832	10.1	1,759.0	1,242.4	123.0
1999	1,602,000	11.0	1,901.0	1,185.9	107.8

Sources: Ministry of Tourism, Cepal, *CubaNews* estimates.

The number of arrivals in January grew by a reported 18 percent over January 2000. Nevertheless, the overall trend is a slowdown in the growth of tourism.

Several years ago, the government set a target of 20 percent annual growth for tourism and forecast 10 million visitors per year by 2010. It has since abandoned that goal in favor of an equally ambitious goal of 7 million tourists per year. Some officials have begun to say that 5 million is a more likely target for 2010. Foreign investors in the industry report

delays in new hotel construction, a trend confirmed by published reports in the official media. A 5 million level is attainable at the current construction rates and assuming only a 10 percent growth in the number of visitors per year. •

CubaNews is a monthly publication covering business and politics in Cuba. View issues online at www.cubanews.com. Look for commentary by Jason Feer in the next issue of Cuba Today, when he addresses systems of incentives, employee selection, and training processes that affect Cuban workers in foreign joint ventures.

Florida International University's Cuba Poll

The Florida International University's Cuba Poll measures the political attitudes of the Cuban-American community in Miami-Dade County. The poll is administered by the Center for Labor Research and Studies, the Institute of Public Opinion Research, and the Cuban Research Institute. From September 20 to October 17, 2000, three random samples of people were interviewed concerning their support of policies toward Cuba: 1,975 Miami-Dade County residents of Cuban descent; 400 non-Cuban county residents; and 400 U.S. residents nationwide. The results from survey Question 8, regarding opinion on U.S. investment in Cuba, are presented here.

	Local Cubans	Local Non-Cubans	U.S. Nationals
Strongly approve	37.1%	23.5%	12.4%
Mostly approve	10.5	14.7	22.4
Mostly disapprove	12.3	14.8	33.2
Strongly disapprove	40.1	37.1	31.9

Further survey results can be found at <http://www.fiu.edu/orgs/ipor> or by contacting Dr. Guillermo J. Grenier, Director of the Center for Labor Research and Studies at Florida International University.

Cuban Workers in the Tourism Sector

by David I. McMillan, CHA

President, Venezia Hospitality International

When we arrived in Cuba in the Summer of 1994 in search of properties to manage, our guide was a multilingual, highly knowledgeable historian. A former senior official in the radio and telecommunications ministry, his current duty as consultant to the president of the country's largest hotel group allowed him access to the strategies and objectives of the global hotel industry. He was also a wood carver, a hobby that he perhaps honed during his stint as a sugar cane harvester, one of the jobs that had to be done by most for the "good of the country."

The first Cuban hotel executive housekeeper that I worked with was a trained engineer who could have easily filled both positions in any country. Among the 10 department heads were 6 professionals—engineers, teachers, and doctors.

My involvement in the Cuban hotel industry has spanned seven years with four of the five state-owned hotel groups in all of the provinces. Projects that have contributed most to my ongoing education in Cuba have included the management and upgrading of three small properties in the province of Granma, the execution of a national strategic planning session for the improvement of food products in hotels and restaurants, and the final negotiations and financing of a joint venture for the development and management of

The author has also been President of Cuban Club Resorts, Cuba's first joint venture development company involving hotel and vacation ownership. He is a former three-term chairman of the Hotel Association of Canada.

2,000 units of mixed use (hotel and time-share) in four beach locations. I have also evaluated numerous remote inns and hotels, a magnificent but ramshackle wooden resort on stilts, and four classic boutique hotels in Old Havana.

My current priority is the successful opening of a new 4 Star 690-unit resort on a beachfront lagoon in Cayo Coco that is scheduled to open in July 2001. This Canadian/Cuban joint venture features large rooms and mini-suites, chalet suites on stilts, specialty restaurants and bars, a cigar lounge on stilts, a disco, and a spa on a sparkling white sand beach.

The challenges of working in Cuba are significantly different from neighboring countries. Much of the reward for foreign managers and investors stems from interaction with the Cuban people in formal business dealings and in informal relations with workers and their families.

THE TOURISM WORKFORCE

Cuban workers are very well educated and have at a minimum a high school degree. Those in the tourism industry are eager to learn, disciplined, and responsive to guidance. In many cases, they are overqualified, have not been exposed to quality service as a customer, and respond slowly to the delegation of responsibility. These are not personality traits, but rather a systemic issue. What Cuban workers lack in exposure to high quality hospitality, they make up for

by a sincere welcome of foreign visitors, many of whom are greeted in their own language. Even U.S. visitors are openly welcomed.

Foreign companies in joint ventures do not directly hire their own workers. Government employment agencies act as recruitment centers, choosing the best candidates for the job in question. The employer has the ultimate choice. Unlike the situation with unions in other areas of the world, a sense of partnership appears to exist between the employment agency and management, even though the state systems are rigid. However, there are continual changes, and my general experience with employment agencies has been positive.

THE INCENTIVE SYSTEMS

The nature of incentives has changed over the years. In 1994, for example, financial incentives were forbidden; instead, incentives were in the form of rewards, such as dinner at a restaurant, vacation at a resort, or an educational trip abroad. Tips were not recognized or accepted, and expatriates and foreign managers were not reimbursed for tips when using an expense account. Today, incentives are a line item on a company's annual budget. They are, however, strictly controlled by a team (the agency, management, and the Communist Party) that measures performance and actual profits. Tips are now accepted and welcomed!

This evolution occurred partly because of the difficulty of retaining good employees in all-inclusive resorts whose tour operators promoted a no-tipping environment. Change also occurred because of the constant pressure from foreign partners to allow financial incentives. Nevertheless, travel agents and tour operators continue to promote that tips are not required in certain resorts.

Cubans like to work for tourist enterprises because of exposure to U.S. dollars that are used for payment of everything, including tips. Cuban workers have strong family and community values and tend to share tips with their families and neighbors.

Tips are not always in dollars. Visitors to Cuba often bring household items, clothing, medication, school supplies, and other useful goods that serve as a reward and thanks for the hospitality. Distribution of these "gifts" is formally handled, with acceptances made by, for example, a community leader or the head of a hospital. The Ministry of Labor is considering a plan in which a portion of the incentive would be paid in U.S. dollar equivalents.

Vacation ownership in Cuba in the form of time-sharing, which has been approved but not yet set up, will pose a dilemma. The time-share industry relies heavily on individual commissions in sales and marketing where employees and managers earn high incomes based on performance. This issue has not yet been resolved in Cuba, but there have been informal discussions of setting up a system whereby employees earn points that can be used to purchase dollar-based goods in the "company store."

Slowly, the more typical Western approach to motivation and reward is becoming part of Cuba's incentive systems.

SALARY SCALES

There is little negotiation of salary ranges and benefits. Salaries paid in pesos are based on position, exposure to guests, and category of hotel. They are then marked up by agency fees, social contributions (i.e., an amount for toothpaste, shaving gear, and other small luxuries), vacation time, transportation to work, and lodging for nonlocal employees. The total paid by the joint venture covers the gross amount to be paid to the agency and a percentage surcharge for the joint venture. The gross Cuban peso amounts are then paid to the agency in U.S. dollars on a one-to-one ratio.

Because the state benefits from the hard currency earned by Cuban employees in a foreign joint venture, it is critical for the state to maintain control over the number and productivity of workers in the tourist sector. Similar to most countries in the Caribbean and Latin America, Cuba has a high ratio of workers per room available.

Note the following facts:

- Employees in Cuban-run hotels earn less than their counterparts in foreign-managed properties; thus, employees are more interested in working for a joint venture.
- Foreign employers do not control compensation; all compensation, not just the minimum wage, is fixed. However, investors have some flexibility in the negotiation stage.

- The state profits more than the foreign investor from 50-50 ventures. Further, the state currently benefits more from foreign currency income than from shares from joint venture dividends.
- Salaries in the tourism industry have increased significantly in the past five years, whereas room rates have not.
- The value of the peso has increased—from 125 pesos/U.S. dollar in 1994 to 22 in 2001. The peso has also moved from the black market to become the official currency for businesses.
- All hotel contracts are paid in dollars; thus, hotel contracts for gas, electricity, or security, for example, are dollar-earners for the local state-owned service provider.

It is relevant to point out that an assistant manager in a Cuban joint venture resort may earn more than the president of the Cuban hotel company that hired the assistant.

SUCCESS AS WELL AS NEEDED CHANGES

Investors in the hotel industry are generally satisfied with these changes. While further changes are needed, they will be made only if deemed central to the overall plan of the Cuban state and in keeping with socialism's ideologies. Those at the senior and junior level in Cuba's tourist sector are generally very supportive of joint ventures and help them work within the system.

With tourism growing at an average rate of 19.3 percent since 1993, it is clearly an industry that is earning hard currency. This burgeoning industry has also allowed more and

(Continued on page 6)

State Control and the Tourism Industry

by Denise Sibley

*Instructor, Business Administration,
Mississippi University for Women*

In a restaurant in Cuba, you could be shown to your table by a civil engineer, give your order to a computer programmer, and have your meal prepared by an attorney. Cuba's booming tourism industry is where the money is for young Cubans hoping to achieve more financial freedom.

Most Cubans, regardless of their education, make about U.S.\$20 to \$24 a month. While employees in the tourism sector earn only a little more, about \$30 a month, they have the benefit of receiving tips, which can be substantial. For example, the civil engineer noted above received a \$100 tip from just one customer. The earnings from tips explain why young Cuban professionals elect to work in the tourism industry rather than in their area of study. Even so, some are so disappointed about the lack of jobs in their profession that they leave their homeland for work and adequate compensation in their chosen field in other countries.

GETTING EMPLOYED IN THE TOURISM INDUSTRY

Cuban hotels and restaurants do not have trouble filling the positions of housekeeper, waiter, cook, bartender, hostess, or activity director. But getting one of these jobs is not an easy task. Applicants eager to work in

tourism must first be accepted by a Formatur School. Founded in 1995, 18 Formatur Schools provide an extensive training program for employees in the ever-growing tourism industry. Concentrated in areas of heavy tourism, the schools focus on the specific type of tourism in that region. For example, the schools around Varadero mainly train students to work in resort properties because resorts are prevalent in that area of Cuba.

The demand for specific jobs determines the number of students who are admitted to a Formatur School. For instance, if a local hotel needs 20 waitresses, the school enrolls 20 students. Applicants must undergo a screening process to determine their eligibility. They must also be high school graduates and under age 35. In addition, the student must live in the same locale as the school and the prospective place of employment. Those who are accepted by a Formatur School usually have political connections.

The Training Process

Regardless of their previous education (many applicants already have a degree from a four-year university), students attending a Formatur School receive two years of training. The only exception is the one-year training period for housekeeping positions. Thirty percent of the training is devoted to theory, with the rest of the time being spent on practical application. Many students work in their

prospective positions as part of their training. While in training, they receive no compensation other than tips. They are closely supervised, and their progress is reported to the school. It is not unusual for a student to be asked to leave the program before completion because he or she has not met the school's standards.

This employment process is somewhat inscrutable. The training period seems unduly long. Also, many hotels and restaurants are overstaffed. At one hotel in Havana, for example, four employees usually run the small snack bar in the lobby, and three or four doormen are on duty at the hotel entrance at all times. Despite the lengthy training period and numerous staff, service in Cuban hotels and restaurants is not always prompt. Staff sometimes seem almost reluctant to offer service; once they are asked, however, they appear more than willing to be of assistance.

THE CTC AND GOVERNMENT REGULATION

Many of the hotels and resorts are joint ventures with foreign investors, with some managed by the foreign investment company. Except for some upper management positions, the majority of the employees are Cubans. Almost all belong to one union, the Confederación de Trabajadores de Cuba (CTC), which represents the 3 million union members of Cuba who are organized in 19 national unions. Union membership is encouraged,

The author is working on her doctorate in International Development at the University of Southern Mississippi.

and every workplace is organized. Employees periodically meet with the CTC to discuss issues they want management to address, which the union officials then relay to management.

The Cuban union movement encompasses over 97 percent of Cuba's workers. The CTC is controlled by the state and the Communist Party, which are also the managers of the enterprises that employ the laborers. The Cuban Communist Party is based on and represents the working class. The head of the CTC is a member of the Communist Party's political bureau, its highest body.

The CTC's Functions

Views differ concerning the functions of the CTC. According to the socialist state, the working class is in power and runs society. Unions advocate for the workers in a cooperative relationship with the socialist government. In the sectors of Cuba (such as tourism) where workers are employed in joint ventures, the Cuban Ministry of Labor operates a special office—in some ways similar to a union hiring hall—that provides labor for the foreign corporations. This practice, in effect, prevents the companies from hiring workers of their

choice. If a problem develops with a worker, the company must discuss it with the Cuban manager and the union. If the worker needs training or replacement, he or she returns to the Ministry of Labor office.

A recent report by the U.S. State Department presents a different view. Foreign investors who engage in joint ventures with the Cuban government are carefully controlled. As noted, investors must hire their workers through the state employment agencies. The Cuban government appropriates about 95 percent of the salaries of these workers and pays them in domestic currency while charging the joint venture in hard currency.

It is the CTC's responsibility to ensure that government production goals are met. The CTC does not act as a trade union: it does not promote worker rights or observance of labor law, and it does not protect the right to strike.

Workers who attempt to engage in nongovernmental union activities face government harassment and persecution, even though the state disclaims these practices in international forums. Workers have lost their jobs for their political beliefs, including refusal to join the official union. Al-

though several small independent labor organizations have been formed, they function without legal recognition and cannot represent workers effectively. They, too, are constantly harassed by the government.

PROMOTING THE RIGHTS OF WORKERS

The Arcos Principles, named for the prominent activist Gustavo Arcos who heads the Cuban Committee for Human Rights, seek to promote fair labor hiring and employment practices in Cuba. The principles want all Cubans to be allowed access to the public areas, goods, and services that are currently reserved for foreigners. The principles insist that Cubans working for joint ventures be hired directly. They urge an end to the use of school and labor records of political and social conduct when hiring workers. They call for fair labor standards, including a reasonable work day and week, an end to "voluntary" labor, and the right to form labor unions independent of the government. The Arcos Principles also call for measures to improve workplace safety and environmental protection. •

(McMillan continued from page 4)

more foreign visitors to see that life in Cuba is very different from how it is depicted in the Western media.

Few countries have undergone as much change as Cuba in as little time. Nevertheless, further change is necessary in certain areas if Cuba is to keep pace with the growth in tourism.

First, Cuba's architecturally rich heritage should be reflected in some

way in the design of its new hotels and resorts. Second, in a country well endowed in the arts, it would be advantageous and competitively wise to bring culture and tourism closer together. This would help in the development of tourism from a simple "sun and sand" experience to one in which the visitor can explore the incredible talents in Cuban society.

Third, Cuba currently relies heavily on a simple marketing distribution system that will have to be diversified as Cuba moves forward to compete with the giants in world tourism. In the meantime, Cuba's human resources in the tourism sector are well positioned to meet the future. •

NPA's Cuba Working Group— “Principles for Private Sector Investment in Cuba”

The international private sector has a vital role to play in promoting open, free market institutions and adherence to universal standards of human rights. Because we, the international Working Group on Best Business Practices in Cuba, believe that socially responsible business practices can foster human rights and, ultimately, a more productive workforce, we urge businesses investing in Cuba to adopt such practices in their activities in Cuba.

We recognize that the situation in Cuba is dynamic and that the challenges facing private sector involvement are many. While operating in a manner consistent with current Cuban laws and regulations, companies should nevertheless respect fundamental worker rights and advocate changes in laws and regulations where adherence to these rights is not currently possible.

Our principles are based on the Arcos Principles (1994), NPA's North American Committee Principles (1997), the Sullivan, the McBride, and other socially responsible principles that have served as a catalyst for progress in nondemocratic societies. We encourage the private sector to voluntarily adopt the following basic principles:

- respect the right of the workers to organize freely in the workplace and to choose a union to represent them in negotiations with management, in accordance with the International Labor Organization (ILO) Conventions 87 and 98;
- maintain a corporate culture that respects free expression consistent with legitimate business concerns and does not condone political coercion in the workplace;
- work to gain the right to recruit, contract, pay, and promote workers directly, not through government intermediaries;
- employ socially responsible employment practices, including the avoidance of child and forced labor and discrimination based on race, gender, national origin, religious beliefs, or political beliefs or affiliation, in accordance with ILO Convention 111;
- provide a safe and healthy workplace, consistent with the principles of sustainable development; and
- support the strengthening of legal procedures, encouraging respect for due process, human rights, and the international conventions of which Cuba is a signatory.

Pax Christi Netherlands on Tourism

The Cuban government tries to limit the impact of tourism on Cuban society as much as possible. Apart from some minor positive side effects of the increase in tourism, the Cuban people do not experience an opening up of society or an improvement in their living standard. With the current strategy, tourism in Cuba is mainly benefiting the government [which] hopes that economic development, coupled with strong internal control, will strengthen the regime's long-term viability. But the government cannot control all tourists as it does its own people, and even Cuban society has become more critical of the measures taken by the government.

Reprinted from Fifth Report on Cuba, by Pax Christi Netherlands (Utrecht, Sept. 2000), p. 17; reprinted by permission.

Members of the Cuba Working Group

AFL-CIO American Center for International Labor Solidarity (ACILS)
 American Chamber of Commerce of Cuba in the United States (AmCham Cuba)
 Confederation of Netherlands Industry and Employers (VNO-NCW)
 Consejo Mexicano de Comercio Exterior (COMCE)
 The Conference Board of Canada
 Florida International University
 Instituto Tecnológico Autónomo de México (ITAM)
 National Policy Association
 Pax Christi Netherlands
 Prince of Wales Business Leaders Forum
 United Food and Commercial Workers International Union (UFCW)
 U.S. Chamber of Commerce
 U.S. Cuba Business Council

Second Annual International Conference on "Best Business Practices in Cuba"

NPA's international Working Group on Cuba will hold its second annual conference on "Best Business Practices in Cuba" on June 1, 2001, at the Renaissance Montreal Hôtel in Montreal, Canada. The first conference took place in Mexico City in June 2000.

Cosponsored by the Canadian Foundation for the Americas (FOCAL), the conference will gather current and potential investors in Cuba to address the political risks associated with in-

vesting in Cuba. Participants will also examine the role of the private sector in revitalizing an independent labor sector.

Confirmed speakers include Alberto Alvarez (Solidarity of Cuban Workers), Efrén Córdova, Gareth Jenkins (Cuba Business Solutions), David I. McMillan (Venezia Hospitality International), Philip Peters (Lexington Institute), and Matias Travieso (Shaw Pittman).

FOCAL is a policy center dedicated to strengthening Canada's relations with countries in Latin America and the Caribbean through informed policy discussion and analysis. For information on FOCAL and its Research Forum on Cuba, visit www.focal.ca.

For more information on the upcoming conference, contact Kaylin Bailey, NPA International Program Associate and Cuba Program Director, at kbailey@npa1.org or (202) 884-7640.

CUBA TODAY

Spring 2001

Vol. 2, No. 1

Published by National Policy Association.

This newsletter was made possible through support provided by the Bureau for Latin America and the Caribbean and the U.S. Agency for International Development. The views expressed by the authors are their own and do not necessarily represent those of USAID, NPA, or the member organizations of the Cuba Working Group.

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CUBA TODAY

Best Business Practices and Labor Rights

primavera de 2001

Vol. 2, No. 1

ADENTRO . . .

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Cuba Today presenta una serie de cuatro partes que explora la inversión extranjera en Cuba. Este número está dedicado al turismo, una de las industrias más grandes y de más rápido crecimiento del país. El turismo es hoy en día el ganador número uno de dinero en efectivo de la isla.

Cuba Today sirve como un foro para el diálogo de las interacciones entre los trabajadores y las empresas en Cuba. La industria turística es especialmente ilustrativa de estas dinámicas a medida que la inversión extranjera aumenta,

desafiando el statu quo de muchos trabajadores cubanos.

El enfoque sobre la industria turística de Cuba de los artículos contenidos en este volumen es promover el debate acerca de las mejores prácticas de comercio en la región. Los números subsiguientes explorarán actividades como la agricultura, las telecomunicaciones, y la minería como un ejemplo de la industria pesada. Cada sector desempeña un papel cada vez más lucrativo en el desarrollo de la economía cubana y en el mejoramiento de la calidad de vida de los cubanos.

El Turismo Continúa su Crecimiento, pero las Ganancias se Rezagan

por Jason Feer
Editor, CubaNews

El número de turistas que visitó a Cuba en 2000 continuó en aumento, pero el crecimiento de las ganancias disminuyó considerablemente. Cuba recibió 1.774 millones de turistas en 2000, muy por debajo de las expectativas de 2 millones de visitantes fijadas al principio del año. No obstante, este número fue 10.7 por ciento superior a los 1.602 millones de visitantes en 1999. Sin embargo, los funcionarios cubanos declaran que en 2000, los ingresos totales vertidos por el turismo aumentaron apenas \$16 millones para alcanzar un total de \$1.917 billones, lo que significó un escaso aumento de 0.8 por ciento sobre el total de 1999.

Los costos en la industria permanecen elevados, lo que preocupa a los inversionistas extranjeros. Las figuras oficiales indican que los gastos representan \$0.78 de cada dólar que ingresa vía el turismo. Las ganancias netas totales del año pasado fueron de \$421 millones, de los cuales cerca de la mitad acabaron en manos de los socios extranjeros en empresas conjuntas de turismo. En términos de ingreso, el turismo está muy por detrás de la industria del níquel y de las remesas del exterior, aunque es el recaudador de ingresos de dinero en efectivo más grande del país. Los funcionarios cubanos culpan la disminución en los ingresos en la deva-

luación del euro contra el dólar americano, que ha hecho los viajes a Cuba más costosos, al igual que al incremento de los precios del boleto de avión como resultado del aumento de costo del combustible.

Asimismo, los gastos por turista también han descendido. En 2000, los gastos per cápita fueron de \$1,080, menos que los \$1,186 en 1999. Desde 1995 y durante cinco años consecutivos, los gastos por visitante han disminuido en 27 por ciento.

Una explicación para este descenso es que Cuba tiende a ofrecer paquetes de bajo costo para los turistas. Aunque el Ministro de Turismo, Ibrahim Farradaz, negara recientemente que Cuba bajó sus

precios para atraer a más visitantes, algunos agentes de viaje dicen tener conocimientos que indican lo contrario. Además, puede ser que Cuba esté reduciendo los precios por entretenimiento y el préstamo de servicios en respuesta a quejas de que la isla es demasiado cara.

Otro problema importante en el sector turístico es el bajo porcentaje de visitantes que regresan a la isla. Las quejas esparcidas por los turistas acerca del mal servicio, de la comida mediocre, y del alto costo de todo desde las bebidas hasta la gasolina, hacen que muchos visitantes de la isla no regresen. Parece que en general los turistas están dispuestos a aguantar tales inconveniencias si el destino es económico, pero Cuba no es mucho más barata que otros destinos turísticos del Caribe. Aunque los paquetes no son caros, y típicamente incluyen el precio del boleto de avión, la habitación, y el desayuno, los cubanos tratan de compensar cobrando altos precios por las bebidas, los alimentos, y el entretenimiento.

Todo parece indicar que el 2001 puede ser un buen año para la industria turística cubana. En enero el número reportado de llegadas aumentó un 18 por ciento comparado con el mismo mes del año 2000. No obstante, la tendencia general es una desaceleración en el crecimiento del turismo.

	Número de Visitantes por Año	Estadía Promedio (Días)	Ingresos Totales (Mil. US\$)	Ingresos Promedio por Turista (US\$)	Gastos Diarios por Turista (US\$)
1988	225,000	n/a	189.0	840.0	n/a
1989	326,000	n/a	204.0	625.8	n/a
1990	340,329	8.7	243.4	688.2	79.1
1991	424,041	8.7	387.4	948.1	109.0
1992	460,610	9.1	567.0	1,193.0	131.1
1993	546,023	9.6	720.0	1,318.7	137.4
1994	619,218	9.1	850.0	1,373.2	150.9
1995	745,495	8.7	1,100.0	1,474.5	169.5
1996	1,004,336	7.3	1,333.0	1,327.7	181.9
1997	1,170,083	11.3	1,543.0	1,318.7	116.7
1998	1,415,832	10.1	1,759.0	1,242.4	123.0
1999	1,602,000	11.0	1,901.0	1,185.9	107.8

Fuentes: Ministerio de Turismo, Cepal, cálculos estimados per CubaNews.

Hace varios años, el gobierno fijó una meta de crecimiento del 20 por ciento anual para el turismo y para el año 2010 pronosticó 10 millones de visitantes anuales. Desde hace algún tiempo abandonó esa meta a favor de otra igualmente ambiciosa de 7 millones de turistas por año. Últimamente, algunos funcionarios han comenzado a decir que 5 millones es una meta más probable para el año 2010. Los inversionistas extranjeros en la industria informan acerca de la demora en la construcción de nuevos hoteles, una tendencia confirmada por informes publicados en los medios oficiales. Con las tasas actuales de construcción y si se

asume sólo un crecimiento del 10 por ciento anual en el número de visitantes, una cifra de 5 millones de visitantes por año es más razonable. •

CubaNews es una publicación mensual que in-forma sobre la política y los negocios de Cuba. Los artículos están disponibles para su consulta en línea en www.cubanews.com. Busque el comentario de Jason Feer en el próximo volumen de Cuba Today, en donde abordará los sistemas de incentivos, la selección de los empleados, y el proceso de capacitación que afectan a los cubanos que trabajan en empresas conjuntas extranjeras.

Encuesta Acerca de Cuba Realizada por Florida International University

La encuesta acerca de Cuba realizada por Florida International University mide las actitudes políticas de la comunidad cubana-americana en el Condado de Miami-Dade. Tres organizaciones llevaron a cabo la encuesta Center for Labor Research and Studies, Institute of Public Opinion Research, y el Cuban Research Institute. Del 20 de septiembre al 17 de octubre de 2000, se entrevistaron a personas agrupadas en tres muestras tomadas al azar, preguntándoles su apoyo a las políticas hacia Cuba: 1,975 personas de descendencia cubana, residentes del Condado Miami-Dade; 400 residentes no-cubanos del mismo condado; y 400 residentes de EE.UU. de todo el país. A continuación se presentan los resultados de la pregunta no. 8 de la encuesta, con respecto a la opinión de la inversión de EE.UU. en Cuba.

¿Se debe prohibir que empresas de EE.UU. hagan negocios en Cuba?

¿Está totalmente de acuerdo, más o menos de acuerdo, más o menos en desacuerdo, o totalmente en desacuerdo?

	Cubanos Locales	No-Cubanos Locales	Ciudadanos de EE.UU.
Totalmente de acuerdo	37.1 %	23.5%	12.4%
Más o menos de acuerdo	10.5	14.7	22.4
Más o menos en desacuerdo	12.3	14.8	33.2
Totalmente en desacuerdo	40.1	37.1	31.9

Puede encontrar resultados adicionales de la encuesta en la página en Internet <http://www.fiu.edu/orgs/ipor> o poniéndose en contacto con el Dr. Guillermo J. Grenier, Director del Centro para Investigación y Estudios Laborales de Florida International University.

Los Trabajadores Cubanos en el Sector Turismo

por David I. McMillan, CHA

Presidente de Venezia Hospitality International

Cuando en el verano de 1994 llegamos a Cuba en busca de propiedades para administrar, nuestro guía era un historiador muy culto que hablaba varios idiomas. Anteriormente había sido un alto funcionario en el ministerio de la radio y las telecomunicaciones; su deber actual como asesor del presidente del grupo hotelero más grande del país le permitió tener acceso a las estrategias y objetivos de esta industria a escala mundial. También era un tallador de madera, pasatiempo que afinó quizás durante su temporada como segador de caña de azúcar, uno de los trabajos que la mayoría de los cubanos tuvo que realizar por el "bienestar del país."

La primera ama de llaves de un hotel cubano con quien trabajé era una ingeniera que fácilmente podría haber ocupado ambas posiciones en cualquier otro país. Entre los 10 jefes de departamento había 6 profesionales — entre ingenieros, maestros, y médicos.

Mi participación en la industria hotelera cubana abarca siete años trabajando en todas las provincias con cuatro de los cinco grupos hoteleros pertenecientes al Estado. Los proyectos que más han contribuido a mi educación continua en Cuba incluyen la administración y mejora de tres propiedades pequeñas en la provincia de Granma, la ejecución de una sesión de planificación estratégica nacional para la mejora de alimentos ofrecidos en hoteles y restaurantes, y llevar a cabo negociaciones finales y el financiamiento de una empresa conjunta para el desarrollo y la administración de 2,000 unidades de uso mixto (hotel y tiempo compartido) ubicadas en

cuatro playas distintas. También he evaluado numerosas posadas y hoteles remotos, un magnífico pero destaralado centro turístico de madera construido sobre pilotes, y cuatro hoteles clásicos de boutique enclavados en La Habana Vieja.

Mi prioridad en este momento es la inauguración exitosa de un nuevo centro turístico de 4 estrellas con 690 unidades ubicado al frente de la playa de una laguna en Cayo Coco, cuya apertura esta programada para el mes de julio de 2001. Esta empresa conjunta cubana-canadiense ofrece amplias habitaciones y mini-suites, chalet suites sobre pilotes, restaurantes de especialidad y bares, un salón sobre pilotes para fumar puros, una discoteca, y un balneario ubicado en una brillante playa de arena blanca esplendorosa.

Los desafíos de trabajar en Cuba son considerablemente distintos a los de sus países vecinos. Muchas de las recompensas de los gerentes e inversionistas extranjeros es producto de la interacción con los cubanos, ya sea durante las negociaciones formales y durante las relaciones informales con los trabajadores y sus familias.

PERSONAL DE LA INDUSTRIA TURÍSTICA

Los trabajadores cubanos cuentan con una buena educación y tienen como mínimo un diploma de bachillerato. Aquellos involucrados en la industria del turismo están ansiosos de aprender, son disciplinados, y receptivos a la capacitación. En muchos casos, tienen más preparación de la requerida, como clientes no conocen un servicio de calidad, y responden lentamente a la delegación de responsabilidades. Estos no son rasgos de personalidad, sino más bien es un problema del sistema. Los trabajadores cubanos carecen de una hospitalidad de

alta calidad, pero lo compensan al ofrecer una sincera bienvenida a los visitantes extranjeros, gran cantidad de quienes serán saludados en su propio idioma. Aún a los visitantes de EE.UU. se les da la bienvenida abiertamente.

Las empresas extranjeras involucradas en empresas conjuntas no contratan directamente a sus propios trabajadores. Las agencias de empleo gubernamentales actúan como centros de reclutamiento; escogen a los mejores candidatos para el trabajo en cuestión, aunque el empleador lleva a cabo la última selección. A diferencia de la situación con sindicatos en otras áreas del mundo, parece existir un sentido de asociación entre la agencia de empleo y las empresas, aunque los sistemas estatales son rígidos. Sin embargo, hay cambios continuos y en general mi experiencia con agencias de empleo ha sido positiva.

SISTEMAS DE INCENTIVOS

A través de los años la naturaleza de los incentivos ha cambiado. En 1994, por ejemplo, los incentivos económicos estaban prohibidos; en cambio, los incentivos se daban como recompensas, tal como una cena en un restaurante, vacaciones en un centro turístico, o un viaje de capacitación al exterior. Las propinas no se reconocían ni se aceptaban, y los residentes y gerentes en el extranjero no recibían un reembolso por propinas al utilizar una cuenta de gastos del gobierno. Hoy en día, los incentivos son un renglón más en el presupuesto anual de la compañía. Están, sin embargo, estrictamente controlados por un equipo (la agencia, la administración, y el Partido Comunista) que mide el desempeño y las ganancias actuales. Ahora las propinas ¡se aceptan y son bienvenidas!

El autor también ha sido Presidente del Club de Centros Turísticos Cubanos, la primera empresa conjunta de desarrollo de Cuba que ofrece hoteles y vacaciones de tiempo compartido. Tres veces ha sido presidente de la Asociación Hotelera de Canadá.

Esta evolución se dio en parte a causa de la dificultad de retener a los buenos empleados en los centros turísticos con todos los servicios incluidos en

dólares en "la tienda de la compañía." El enfoque occidental más típico de motivación y recompensa empieza lentamente

etapa de negociación.

- En las empresas 50-50 el estado gana más que el inversionista extranjero.

con la CTC para discutir asuntos que quieren que la administración resuelva, mismos que los funcionarios del sindicato transmiten a la administración.

El movimiento de sindicatos cubano abarca a más del 97 por ciento de los trabajadores de Cuba. El Estado y el Partido Comunista, quienes también son los directores de las empresas que emplean a los trabajadores, controlan la CTC. El Partido Comunista cubano está basado y representado en la clase obrera. El director de la CTC es un miembro del despacho político del Partido Comunista, la oficina con más jerarquía.

Funciones de la CTC

Los puntos de vista difieren acerca de las funciones de la CTC. Según el estado socialista, la clase obrera está en el poder y dirige a la sociedad. Los sindicatos abogan por los trabajadores en una relación cooperativa con el gobierno socialista. En los sectores productivos de Cuba (como el del turismo), donde los trabajadores son empleados por empresas conjuntas, el Ministerio del Trabajo cubano maneja una oficina especial, de alguna manera semejante a la oficina de contrataciones de un sindicato, misma que proporciona trabajadores para las corporaciones extranjeras. Esta práctica, de hecho, evita que las empresas escojan a sus empleados. Si existe un problema con un trabajador, la compañía lo debe discutir con el director cubano y con el

sindicato. Si un trabajador necesita capacitación o ser reemplazado, éste debe regresar a la oficina especial del Ministerio de Trabajo.

Un informe reciente del Departamento de Estado de EE.UU. presenta un punto de vista diferente. A los inversionistas extranjeros que establecen empresas conjuntas con el gobierno cubano se les controla atentamente. Los inversionistas deben emplear a sus trabajadores mediante las agencias de empleo estatal. El gobierno cubano se apropia de cerca del 95 por ciento de los salarios de estos trabajadores y les paga en moneda nacional mientras que a la empresa conjunta le cobra en dinero en efectivo.

La CTC es responsable de asegurar que las metas de producción del gobierno se alcancen. La CTC no actúa como un sindicato negociador: no promueve los derechos del trabajador ni el cumplimiento de las leyes de trabajo, ni protege el derecho de declararse en huelga.

Los trabajadores que tratan de participar en actividades del sindicato no gubernamentales se enfrentan a ser acosados y perseguidos por el gobierno, aunque en foros internacionales el Estado niega estas prácticas. Algunos trabajadores han perdido su trabajo debido a sus creencias políticas, lo que incluye rehusar a unirse al sindicato oficial. Aunque se han formado varias

pequeñas organizaciones laborales independientes, estas funcionan sin reconocimiento legal y no pueden representar a los trabajadores eficazmente, siendo acosadas constantemente por el gobierno.

PROMOCIÓN DE LOS DERECHOS DE LOS TRABAJADORES

Los Principios Arcos, nombrados en honor del destacado activista Gustavo Arcos quien dirige el Comité Cubano de los Derechos Humanos, procura promover prácticas justas de contratación de empleo y de trabajo en Cuba. Los principios persiguen que a todos los cubanos se les permita el acceso a las áreas públicas, a los bienes, y a los servicios que actualmente están reservados para los extranjeros. Insisten que las empresas conjuntas contraten directamente a los cubanos que trabajan para ellas. Urgen que se elimine la utilización de los registros de conducta social y política escolares y laborales en el momento de contratar a los trabajadores. Hacen un llamado a la creación de normas de trabajo justas, que incluyen horarios razonables de trabajo diario y semanal, terminar con el trabajo "voluntario," y el derecho de formar sindicatos independientes del gobierno. Los Principios Arcos también piden las medidas para mejorar la seguridad del lugar de trabajo y la protección del ambiente. •

(McMillan continuación de página 4)

desde 1993, es claramente una industria que gana flexibilidad en las negociaciones del dinero en efectivo. Esta creciente industria ha permitido también que más y más visitantes extranjeros se den cuenta que la vida en Cuba es muy diferente de como se presenta en los medios de

er el mismo ritmo de crecimiento en el turismo, necesita realizar cambios adicionales en ciertas áreas.

Primero, la rica herencia arquitectónica de Cuba se debe reflejar de alguna manera en el diseño de sus nuevos hoteles y centros turísticos. Segundo, en un país

experiencia de "sol y arena" a una en la que el visitante pueda explorar los increíbles talentos de la sociedad cubana. Tercero, Cuba en este momento confía demasiado en un simple sistema de distribución de mercadeo que tendrá que diversificarse a medida que el país avanza para

Grupo de Trabajo de la NPA sobre Cuba— “Bases para la Inversión del Sector Privado en Cuba”

El sector privado internacional juega un papel vital en la promoción de instituciones abiertas y de libre mercado y adhesión a estándares universales de los derechos humanos. En virtud de que los integrantes del Grupo internacional de Trabajo sobre Mejores Prácticas de Comercio en Cuba, creemos que la responsabilidad social en las prácticas de negocios puede ayudar a promover los derechos humanos y una fuerza de trabajo más productiva, solicitamos a los inversionistas en Cuba adoptar prácticas de negocios con responsabilidad social en sus actividades en Cuba.

También reconocemos que la situación en Cuba es dinámica y que los retos que enfrenta el sector privado en Cuba son muchos. Sin importar que los inversionistas operan de manera consistente bajo leyes y reglamentos aplicables en Cuba, las empresas deben respetar los principios fundamentales de los derechos de los trabajadores y abogar por el cambio en cuanto sea posible en

aquellas leyes y reglamentos que no se adhieran a dichos principios.

Nuestros principios se basan en los Principios Arcos (1994), en los del Comité Norteamericano de la NPA (1997), en los Sullivan, en los McBride, y en otros principios socialmente responsables que han servido como catalisis para el progreso en sociedades no democráticas. Alentamos al sector privado a adoptar voluntariamente los principios básicos siguientes:

- respetar el derecho de los trabajadores a organizarse libremente en los lugares de trabajo y escoger al sindicato que se encargue de representarlos en negociaciones colectivas de acuerdo con las Convenciones 87 y 98 de la Organización Internacional del Trabajo (OIT);
- mantener una cultura corporativa que respete la libre expresión consistente con intereses de negocios legítimos y que no condone

la coerción política en el lugar de trabajo;

- buscar el derecho a reclutar, contratar, pagar, y promover a los trabajadores directamente, y no mediante intermediarios gubernamentales;
- emplear prácticas sociales responsables en el empleo, incluyendo la eliminación de trabajo infantil forzado y discriminación basada en raza, género, origen nacional, creencias religiosas, o creencias políticas o afiliaciones, de conformidad con la Convención 111 de la OIT;
- proveer un lugar de trabajo seguro y saludable consistente con principios de desarrollo sostenible; y
- apoyar el fortalecimiento de los procedimientos legales, alentando el respeto a ser oído en juicio, a los derechos humanos y las convenciones internacionales de las cuales Cuba es signataria.

Pax Christi Holland sobre el Turismo

El gobierno cubano intenta limitar el impacto del turismo en la sociedad cubana tanto como le sea posible. Fuera de algunos efectos secundarios positivos del aumento en el turismo, los cubanos no experimentan una apertura en la sociedad ni una mejora en su calidad de vida. Con la estrategia actual, el turismo en Cuba beneficia principalmente al gobierno [que] espera que el desarrollo económico, junto con un control interno firme, refuerce la viabilidad del régimen a largo plazo. Pero el gobierno no puede controlar a todos los turistas como lo hace con su propia gente, e incluso la sociedad cubana ha llegado a criticar las medidas tomadas por el gobierno.

Reimpreso del Quinto Informe sobre Cuba, por Pax Christi Holland (Utrecht, septiembre del 2000), p. 17; reimpreso con permiso.

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Segunda Conferencia Internacional Anual sobre "Mejores Prácticas de Comercio en Cuba"

El Grupo de Trabajo de la NPA en Cuba celebrará el 1º de junio de 2001 su segunda conferencia anual sobre las "Mejores Prácticas de Comercio en Cuba" en el Hotel Renaissance Montreal en Montreal, Canadá. La primera conferencia se realizó en la Ciudad de México en junio del año 2000.

Copatrocinada por la Fundación Canadiense para las Américas (FOCAL), la conferencia reunirá a inversionistas actuales y potenciales en Cuba para discutir sobre los riesgos políticos asociados con la

inversión extranjera en Cuba. Los participantes examinarán también el papel del sector privado en la revitalización del sector laboral independiente.

Los oradores confirmados incluyen a Alberto Álvarez (Solidaridad de los Trabajadores Cubanos), Efrén Córdova, David I. McMillan (Venezia Hospitality International), Philip Peters (Lexington Institute), y Matias Travieso (Shaw Pittman).

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dedicada a fortalecer las relaciones entre Canadá y los países en Latino América y el Caribe mediante discusiones y el análisis profundo de las políticas. Para obtener más información acerca de FOCAL y su Foro de Investigación en Cuba, visite el sitio en la Internet www.focal.ca.

Para más información acerca de la próxima conferencia, póngase en contacto con Kaylin Bailey, Asociada del Programas Internacionales de la NPA y Directora del Programa de Cuba, en kbailey@npa1.org o comuníquese al número de teléfono (202) 884-7640.

CUBA TODAY

primavera de 2001

Vol. 2, No. 1

Publicado por la National Policy Association

Este boletín informativo ha sido posible con el apoyo del Bureau for Latin America and the Caribbean, Agencia para el Desarrollo Internacional. Los puntos de vista expresados son los de los autores y no representan necesariamente los de la USAID, NPA, o las organizaciones miembros del Grupo de Trabajo sobre Cuba.

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CUBA TODAY

Best Business Practices and Labor Rights

Summer 2001

Vol. 2, No. 2

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CUBA TODAY presents the second issue in a four-part series exploring foreign investment in Cuba. This issue focuses on the agricultural sector on the island, noting changes in state control over production during the 1990s that have provided agricultural workers with incentives to remain in the field.

CUBA TODAY serves as a forum for dialogue on the interactions between labor and business in Cuba. The following articles on Cuba's agricultural industries demonstrate that

working in this arena can be lucrative for Cuban workers. The articles also indicate that best business practices by foreign investors in the region can benefit Cuban workers.

The Spring 2001 issue of *CUBA TODAY* looked at tourism. Subsequent issues will explore telecommunications and heavy industry such as mining. Each sector is playing an increasingly important role in the development of the Cuban economy and in the improvement of quality of life for Cuban citizens.

Incentives in the Agricultural Sector

by Jason Feer

Publisher, CubaNews

Agriculture has been the foundation of the Cuban economy for centuries and remains so today. No other sector employs more Cubans. Agriculture overwhelmingly accounts for the largest portion of the country's gross domestic product (GDP), when sugar, food production, and livestock are included.

Yet agriculture is one of the poorest performing areas of the economy. The government's efforts to reform the sector in the wake of the 1959 revolution were intended to increase the amount of land under cultivation, introduce modern technologies, and

collectivize food production. In some respects, the government was successful, doubling the area of land under cultivation, boosting the amount of irrigated land, adding hundreds of reservoirs, and significantly increasing the use of fertilizers.

However, the results of these large investments have been surprisingly disappointing. The sugar industry is a case in point. Output has plummeted from 8 million tons in 1990 to just over 4 million tons in 2000, and this year's harvest of just over 3.5 million tons, due in part to a serious drought, is further evidence of weakness.

Production of rice, a staple of the Cuban diet, has also dropped—from 308,000 tons in 1990 to 154,000 tons in 1999 (the last year for which figures are available). The drought is expected to have a substantial impact on this sector and to impact meat and dairy production as well.

INCENTIVE CATEGORIES

The government has introduced a number of incentive-based reforms in the agricultural sector to revive the industry, with mixed results. The incentives generally fall into two categories and are linked to whether the

products are for export or for internal consumption.

Sectors with Foreign Investment Usually Offer Incentives

Workers in the citrus sector, a growing export industry, receive small payments in hard currency as incentives to boost productivity and meet production targets. The citrus sector has been among the most successful in adapting to the requirements of export markets largely because of incentives and the application of foreign management techniques by international investors.

The sugar sector is another story. This sector was once the island's largest source of hard currency revenue before tourism took over, and it is still the largest employer. The collectivization of the sugar sector and the introduction of mechanized farming techniques in the 1960s and 1970s initially resulted in significant production gains. However, this growth was heavily subsidized by the use of free student labor and by supplies of cheap fertilizer, fuels, and heavy equipment from the Soviet Union. When that support ended in the early 1990s, the sector spiraled downward.

Reform Measures

The government has tried to develop a number of reforms, all of which have failed to stem the decline. In the early 1990s, the government created a new kind of cooperative, the Units of Basic Cooperative Production (UBPCs). Under this model, land is leased to farmers who are then required to sell a fixed amount of sugar cane to the government at a fixed price. Excess cane can be sold at higher prices. The bulk of the sugar

cane produced on the island comes from these co-ops. However, because there is no free market in sugar cane—the government is the only buyer—farmers generally make little money from the co-ops.

These low earnings have reduced the effectiveness of the introduction of a market-based mechanism into the system. Recent government price increases to cane growers have helped, but the industry continues to lose rural workers who are moving to the cities in search of better paying jobs.

The UBPC model has been much more successful in the production of vegetables and other produce for the domestic market. The decision to allow farmers to sell vegetables, fruit, and other foods at farmers' markets with unregulated prices has been a real incentive for the co-ops. Their excess produce now has real value, even though they still must sell a fixed quota of their production to the government (but often the poorest quality produce).

THE UNEVEN USE OF INCENTIVES

The use of incentives in food production has been applied erratically. For example, the meat and dairy industries have been among the worst performing in the economy for the past decade, in part because of the sectors' heavy reliance on imported fodder in the 1980s. Yet Cuban officials have been reluctant to introduce any incentive structure for reasons that are unclear. The result is a shortage of meat and dairy products and growing problems of cattle theft. While farmers are permitted to sell meat in farmers' markets, and thus

have some incentive to produce, the problem of cattle theft has worsened.

The government's efforts to introduce incentives into the agricultural sector, when applied rationally, have produced modest results. Fruit and vegetables, as well as meat, are available in abundance at farmers' markets, although at prices that are too high for many Cuban people. There is resentment among poor Cubans that the increases in production have largely gone to the country's growing tourism industry. However, the uneven use of incentives and the lack of market-based mechanisms in the economy have hindered efforts to significantly reform agriculture and boost food production. •

CubaNews is a monthly publication covering business and politics in Cuba. View issues online at www.cubanews.com. Look for commentary by Jason Feer in the next issue of CUBA TODAY, when he addresses the telecommunications industry in Cuba and the status of workers in that sector.

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Employment, Foreign Investment, and Agriculture in Cuba

by William A. Messina, Jr.

Executive Coordinator, International Agricultural Trade and Development Center.
University of Florida

On a recent trip to Cuba as the leader of a delegation of U.S. agricultural and agribusiness industry representatives, I was continually asked: "Who does this person (whether farmer, worker in a cigar factory, hotel employee, or tour guide) work for?" My answer was always the same: "In Cuba, in most instances, it is 'the government.'" Despite my consistent response, the question persisted throughout the trip, indicating just how alien Cuba's planned economy is to those from a market economy. My reply was perhaps the most puzzling to the delegation in reference to the employees of businesses that are joint ventures between the Cuban government and foreign firms.

EMPLOYMENT ISSUES

As is widely known, the Cuban government requires foreign companies to contract with the state to hire Cuban nationals and to pay the government for the employees' salaries in hard currency. The Cuban government, in turn, pays the employees in

The author is Codirector of the Trade Center's research initiative on Cuban agriculture. Additional information on this initiative is available at www.cubanag.ifas.ufl.edu. This article is not intended to support policy proposals or initiatives of the National Policy Association or any other institution. It was prepared at NPA's invitation in the interest of presenting current, objective analyses and assessments of the Cuban agricultural sector under an ongoing research initiative at the Department of Food and Resource Economics in the Institute of Food and Agricultural Sciences, University of Florida.

pesos at a rate that enables the government effectively to collect about a 95 percent tax on the wages.¹

Employees of some joint ventures receive perks and other benefits (including, for those working in the tourism sector, access to hard currency tips). Despite the apparent inequity of such a compensation system, these benefits make jobs with foreign joint ventures some of the most sought after in the country.² This system provides the Cuban government with the hard currency that it uses to purchase desperately needed imports in world markets. But because of the limited number of employment opportunities in joint ventures, the system cannot, by itself, generate anywhere near enough dollars to lift the Cuban economy out of its difficulties.

THE ROLE OF AGRICULTURE

The system of employment in joint ventures has had relatively little impact on the agricultural and food

processing sector in Cuba simply because there have been few joint ventures in agriculture.³ This situation primarily reflects the limited domestic purchasing power in Cuba. Foreign firms generally are interested in investing only in commodities with the potential for sales in export markets. However, the Cuban government has implemented other policies that have had a notable impact on the well-being of workers in Cuba's agricultural sector.⁴

The economic collapse of the Cuban economy beginning in 1989 is well-documented. The collapse occurred after the sudden loss of subsidization and economic support (estimated at perhaps as high as \$8 billion per year) provided through preferential trading relationships with the former Soviet Union and the COMECON nations of eastern Europe.

In agriculture, the resulting lack of ability to import fertilizers, pesti-

1. Some analysts argue that this policy is simply part of the Cuban government's efforts to maintain rigid control over all aspects of the economy. However, in the complex, socialist economy of Cuba, the explanation is far from straightforward, as it involves hard currencies, official versus unofficial internal currency exchange rates, and the egalitarian underpinnings of the Cuban revolution.

2. More generally, any job that offers opportunities for hard currency tips is very attractive in Cuba today.

3. Less than 10 percent of the joint ventures in Cuba have been in the agricultural and food processing sector. For additional detail on this topic, see Maria Antonia Fernandez Mayo and James E. Ross, "Cuba: Foreign Agribusiness Financing and Investment" (1998, <http://edis.ifas.ufl.edu/pdf/FE/FE16100.PDF>).

4. For additional information on policy changes in Cuba's agricultural sector, see José Alvarez and William A. Messina, "Cuba's New Agricultural Cooperatives and Markets: Antecedents, Organization, Early Performance and Prospects" (1996, www.lanic.utexas.edu/la/cb/cuba/asce/cuba6/28alvmess.fm.pdf); and Messina, "Agricultural Reform in Cuba: Implications for Agricultural Production, Markets and Trade" (1999, www.lanic.utexas.edu/la/cb/cuba/asce/cuba9/messina.pdf).

cides, fuel, equipment, and spare parts has had a substantial impact on productivity.⁵ However, during the early years of the "Special Period," the Cuban government found that output on smaller cooperative farms (which represented only about 12 percent of agricultural land area) was not falling as dramatically as output on the large, highly mechanized, and input-intensive state farms (which comprised approximately 85 percent of agricultural land area). In response, the government began to break up most state farms into smaller agricultural production cooperatives known as Units of Basic Cooperative Production (*Unidades Básicas de Producción Cooperativa*, or UBPCs) in 1993. This policy development was important structurally as well as philosophically for Cuba.

Creating UBPCs and MAs to Benefit Agriculture

While the UBPCs helped to slow productivity decreases, they did not immediately reverse the decline in agricultural production. Cuba's agricultural and food import capabilities remained limited because of the country's drastically reduced exports. As a result, food shortages continued, and an active black market for food products developed. Purchases on the black market were conducted exclu-

sively in U.S. dollars. Food shortages for those without access to dollars from remittances from family overseas or from tips in the tourist sector reached critical levels in Summer 1994.

To help address this situation, the Cuban government opened agricultural markets (*mercados agropecuarios*, or MAs) in Fall 1994 throughout the country for farmers to sell their surplus production (production beyond the quotas they were required to sell to the state) at free market prices.⁶ The MAs are structured so that transactions are conducted in pesos, thus helping to "bleach" the black market and broaden access to food outside of the ration system.

As a result of these two policy changes, the agricultural sector in Cuba seemed to be leading the transition toward a more market-oriented economy.⁷ However, in 1993-94, the Cuban economy finally bottomed out. Most analysts agree that it has shown slow but steady growth in gross domestic product each year since. Thus, the immediate pressure for additional reforms has been at least temporarily relaxed, and the government has not seen the need to implement further reforms. In fact, the government has tightened implementation of previous reforms that targeted sectors other than agriculture.

In a land where food shortages have become the norm, farmers may be better off than others in the country. Farmers benefit from access to the food that they grow on "self-provisioning" plots, thus limiting the need to spend scarce income to augment food available through rationing. Furthermore, proceeds from the sale of farmers' surplus production in the MAs can provide significant financial benefit, especially to the more efficient agricultural cooperatives and producers.

A BALANCING ACT

Cuba continues to seek a balance between market-oriented reforms (including agricultural markets, joint ventures with foreign companies, and self-employment in selected fields) and the socialist principles and central planning under which it has functioned for the past 40 years. This is indeed a delicate equilibrium to maintain.

For most of the decade of the 1990s, the Cuban government frequently referred to its efforts to "insert" or "integrate" its economy into the global economy. However, during the past several years, Fidel Castro and other high level Cuban officials have increasingly called on developing nations throughout the world to reject the process of "Neoliberal Globalization." These calls may indicate the Cuban government's recognition of the incompatibility of its centrally planned, socialist economic system with the market forces driving today's global economy. •

5. The critically important sugar industry has been affected to such an extent that production levels for two of the past three seasons have been among the lowest in more than 50 years, at far below one-half of the levels produced in the late 1980s.

6. Sellers in the markets pay a small tax to the government. Also, it should be noted that the Cuban government adds food from its own inventories to the farmers' markets when it feels that prices in the markets may be getting too high, a clear indication that the government understands the relationship between supply and demand in markets.

7. Another important policy change, though not directly related to agriculture, was the decision by the Cuban government in 1993 to allow Cuban citizens to hold dollars.

Using Market Mechanisms to Deliver Affordable Food

by Philip Peters

Vice President, Lexington Institute

Cuban families used to rely mainly on a little book, the *libreta*, to put food on the table. Groceries were bought, warehoused, and distributed by a state enterprise, the *Acopio*. Each family's *libreta* shows the monthly food allotments that can be obtained from neighborhood distribution centers.

THE AGROS

Reforms made in 1993 and 1994 created a second legal source of food distribution—a network of 304 farmers' markets that operates throughout Cuba. Through these *agros*, all producers, including state farms, cooperatives, and private farms, may sell their surplus on the open market. About 73 percent of the produce in the *agros* are supplied by private farmers, and prices fluctuate according to supply and demand. Interviews with vendors reveal that many earn incomes 5 to 10 times that of the average Cuban wage.

Because food provided today through the *libreta* rarely suffices for a month's needs, the *agros* make a significant difference in food supplies. While Cubans with average state salaries shop in the *agros*, so do high income Cubans—those who work in joint ventures, receive production bonus payments from their state enterprises, are self-employed, or receive remittances from relatives abroad. Thus, although the *agros* were created to increase supplies of affordable food, market forces make their prices

reflect the purchasing power of high income workers. As the table on page 6 shows, all Cubans cannot afford the freely priced produce.

OTHER FOOD SUPPLIERS

To create additional sources of affordable food, the government took three steps. First, it opened small markets, called *placitas*, with capped prices that are lower than those in the *agros*, yet higher than the heavily subsidized food bought through the *libreta*. Their sales are substantial, reaching about two-thirds of the value of *agro* sales in 2000.

Second, under another government plan, state and large cooperatives sell food once a month directly to consumers at low prices at fairs or markets (*ferias*) outside the central city. Third, state supplies are occasionally delivered directly to *agros* for sale at low prices.

Since 1995, Cuba has also used urban agriculture to increase food supplies, add fresh produce to the Cuban diet, and create a food source that does not burden the country's strained transportation system. *Organopónicos* are gardens on large tracts on the outskirts of cities or on small lots in residential neighborhoods. The crops on Cuba's 2,611 *organopónicos* are worked intensively by hand on raised beds of organically enriched soil. Produce is sold from streetside stands that workers replenish as needed with freshly picked vegetables and herbs. Prices are generally at

least 20 percent below those of the farmers' markets.

At an *organopónico* in south Havana, 16 workers cultivate over 3,000 square meters of land. The workers' base salary is 245 pesos per month, slightly higher than the average Cuban salary. However, they can earn considerably more through bonuses if their individual productivity exceeds measured norms and if overall revenues are high. One worker explained that in peak months the production bonus can be 800 to 900 pesos.

In January 2000, this *organopónico's* expense ledger showed that 2,740 pesos were spent on basic salaries and just 721 pesos on nonsalary expenses. The month's operating profit allowed almost 8,000 pesos to be added to the workers' pay in production bonuses.

The government's innovations in developing affordable food supplies have helped reverse the decline in caloric and nutritional intake that Cubans suffered during the economic crisis of the early 1990s. Nevertheless, Cuban officials remain unsatisfied with the progress they have made.

Only time will tell whether Cuba will take additional steps to liberalize food production and marketing. So far, however, the use of production incentives, unregulated pricing, and private sales mechanisms has increased food supply while bringing higher incomes to farmers, market vendors, and their intermediaries. •

Free Market Food: What It Costs . . .

Market Basket* Prices at Selected Agros

December 1996, Havana	50.50 pesos
March 1998, Havana	46.00
October 1998, Havana	49.50
February 1999, Havana	44.25
February 1999, Santiago	35.50
March 2000, Havana	39.25
March 2000, Santa Clara	33.60
August 2000, Havana	43.40

*Basket consists of one pound each of pork chops, rice, and black beans; two pounds of tomatoes; three limes; and one head of garlic.

. . . And Who Can Afford It

Work Time Required for Cubans in Selected Occupations to Pay for a Market Basket

Retiree with pension	7.2 days
Day care worker	5.8 days
Cuban earning average state salary	4.0 days
Teacher	2.7 days
Deputy director, state enterprise	1.9 days
Emergency room doctor	1.9 days
Average entrepreneur	1.2 days
Nickel worker in joint venture	1.1 days
Cigar factory custodian	7.0 hours
Farmers' market meat vendor	6.0 hours
Private taxi driver in Havana	3.5 hours

Source: Lexington Institute price and salary surveys (Arlington, Virginia, www.lexingtoninstitute.org/cuba). Purchasing power calculations based on March 2000 Havana prices.

Current Trends in Cuba's Agricultural Sector

by *Laura Enriquez*

Associate Professor of Sociology, University of California at Berkeley

Q: *What trends have you found in the Cuban agricultural sector during your research on the island?*

A: Based on my survey of four rural Cuban municipalities conducted in 1998 as well as a number of other trips to the island, the condition of small farmers has improved in a variety of ways since the mid-1990s. These farmers, who include producers from all sectors of agriculture except the state, have more access to land through the subdivision of state farms that began in 1993 and the ceding of small parcels of state land to *parceleros*; the availability of inputs (including nonchemical in-

puts) has increased; farmers' markets have reopened; and a more general prioritization of this sector occurred as the gravity of Cuba's food situation became clear.

Beginning in 1990, Cuba's changed relationship with the former Soviet Union led to a renewed emphasis on agriculture. Cuba's sudden need to produce its own food generated immediate and significant changes in policy, including the encouragement of many former urban workers to turn to the agricultural sector for work. Thus, a large percentage of those who moved to work in agriculture after 1990 have no background in this area. Farming became increasingly attractive to urban workers as factories slowed production or shut down, urban unemployment increased, and the food crisis grew, especially in urban areas. The govern-

ment also offered a number of incentives, including increased access to housing, to encourage the shift to agriculture. Today, small farmers are better off than the average salaried worker, despite the fact that urban positions still have higher status than rural ones.

Those who farm closer to Havana earn significantly more than those who farm in eastern Cuba, a trend that parallels the situation for the population as a whole. Nevertheless, in terms of earnings potential, agricultural producers in eastern Cuba are still better off than average salaried workers, especially because farmers help to meet their own essential needs by producing food.

Agricultural production was given another incentive as well. Until 1980, all agricultural products were marketed through state-controlled channels. Between 1980-86, farmers' markets be-

The author's current research compares the impact of economic reform on small farmers in Nicaragua and Cuba. This interview was conducted by Jillian Frumkin, Program Assistant, NPA Cuba Project, on April 5, 2001.

came increasingly common, and farmers earned additional profit from their surplus produce as prices in these markets were set by supply and demand. In 1986, the government closed the markets because it decided that farmers were getting rich at the expense of their customers—workers whose wages were fixed. But in 1994, the government reopened the markets and allowed state farms to be included in the sale of surplus produce there (they had been excluded from the markets in the 1980s).

Thus, farmers can now boost their income through the sale of excess produce. In contrast, there are no opportunities in many salaried positions to receive benefits from foreign partners, to earn surplus income, or to be guaranteed access to a variety of foodstuffs.

Another indication that agriculture has been prioritized over some other economic sectors since the early 1990s is the reshaping of the educational system. More opportunities are now available for study in fields related to agricultural production than in some other areas. For example, students are encouraged—in the form of openings to pursue studies at the university—to develop careers as agricultural extension workers rather than as lawyers.

Q: How have cooperatives in Cuba benefited Cuban farmers?

A: The cooperative sector began in the 1960s with agrarian reform in Cuba. Tenants, sharecroppers, and squatters were granted the right to claim the land they had previously worked. But the government showed clear preferences for state farms and sought the voluntary incorporation of privately held land into the state sector. Given the continued reluctance of some farmers to cede their land to the state and become workers, the government shifted

gears and began to promote their organization into cooperatives in the mid-1970s.

There are now five types of farms in Cuba:

- (1) State farms.
- (2) UBPCs (Basic Units of Cooperative Production) were formed through the subdivision of state farms in 1993. In theory, they are independent cooperatives, but they still work closely with state farms.
- (3) CPAs (Agricultural Production Cooperatives) are collectively owned and managed by members. CPAs were started by groups of peasants who pooled their land and resources and began to farm collectively. Now many others, including those who were previously landless or from a younger generation, have joined the CPAs as full members. The original members received financial recognition for their contribution to the cooperative.
- (4) CCSs (Credit and Service Cooperatives) consist of farmers who work their own land individually and come together only for certain services. Members include those who acquired their land through heredity or the agrarian reform. More recently, many who became *parceleros* in the 1990s have joined CCSs.
- (5) *Parceleros*.

Why did the government promote cooperatives? There were several reasons for the move to downsize agricultural production in the 1990s. Major input shortages occurred after the COMECON disintegrated, and it became necessary to adopt lower levels of technology in agricultural production. The massive size of the state farms made this difficult. By downsizing, it

became more feasible to, for example, integrate oxen back into production (to replace tractors) and to introduce organic pest controls. At the same time, it became clear that when farmers believed that the work they put into the land was recognized, their productivity increased. On state farms, however, because workers were organized in large brigades and spread out over huge areas, this kind of recognition was hard to develop.

In contrast, cooperative members have a greater sense of identity with the farm. In addition, they are increasingly remunerated in direct proportion to their level of production, which encourages them to give their all to the effort. My work has shown that their incomes reflect the new incentives to increase production. Moreover, cooperatives are generally more economically efficient than state farms—with CCSs being the most efficient, followed by the CPAs, and finally by the UBPCs. This fact had been noted for many years, but it was not until the early to mid-1990s that government policies began to reflect this reality. An early indication of such recognition was the involvement of older CCS members as advisors to the government on production techniques vis-à-vis certain crops.

Q: Has the presence of foreign investment changed the quality of life for agricultural workers?

A: Foreign investment in the agricultural sector in Cuba has brought both benefits and new dilemmas for workers and policymakers. It has relieved some of the bottlenecks that had developed in the early 1990s in the provision of inputs, and it has assisted in the development of new foreign marketing relationships. Yet, foreign investment overall has also caused in-

creased socioeconomic differentiation. For example, workers in the tourism sector in Cuba can earn more than doctors through their receipt of gratuities in dollars. Such large social differentials are emerging because foreign entities provide access to dollars (in the case of tourism), technological assistance, markets for crops, and marketing assistance (in the case of agriculture).

The agricultural cooperatives that have developed collaborative working relationships with foreign investors (usually foreign governments or non-governmental organizations) are clearly better off than those that have not. The government wants foreign investors because of the benefits they provide. But the government is also clearly aware of the complexity of introducing foreign investment in production sectors and controlling all of the side effects.

Partnerships with foreign investors exist in various agricultural sectors, including vegetables, citrus, tobacco, honey, and mangos. Spanish investors tend to dominate in tobacco, and Israeli investors in citrus. As noted, the investors provide agricultural loans, inputs such as equipment (including irrigation systems), and technological and marketing support. The benefits for the cooperatives include inputs (e.g., access to technology and equipment) as well as potential bonuses offered by foreign investors either in cash or in kind. These bonuses, or incentives, enable the cooperatives to purchase scarce items such as clothing or equipment even if their actual monetary income is no more than that of the average Cuban cooperative.

The incentive systems typically consist of partial payment for produce in the form of goods such as work clothes (or credit for such goods) that are usually available for purchase only with foreign

currencies (i.e., dollars). In most cases, the cooperatives use the incentives for collective purchases (as in the case of work clothes). However, the government offers other incentives even where there is no foreign partner when the state is anxious to produce items such as tobacco for export. In these cases, members are given credit to make personal purchases in dollars or are even given the dollars themselves. The latter is the preferred method because farmers can use the dollars any way they choose.

Foreign investors maintain a "hands-off" approach in their relationship with Cuba's agricultural cooperatives. Investors offer certain kinds of assistance and facilitate the marketing of the produce, but their presence in the cooperatives is not overwhelming. They are not involved in the day-to-day decisionmaking of farming, and they cannot own agricultural land in Cuba. •

CUBA TODAY

Summer 2001

Vol. 2, No. 2

Published by National Policy Association.

This newsletter was made possible through support provided by the Bureau for Latin America and the Caribbean and the U.S. Agency for International Development. The views expressed by the authors are their own and do not necessarily represent those of USAID, NPA, or the member organizations of the Cuba Working Group.

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CUBA TODAY

Best Business Practices and Labor Rights

verano de 2001

Vol. 2, No. 2

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CUBA TODAY presenta el segundo volumen en una serie de cuatro partes que explora la inversión extranjera en Cuba. Este volumen se enfoca en el sector agrícola en la isla, notando los cambios en el control del estado sobre la producción durante los años noventa, lo cual ha proporcionado incentivos a trabajadores agrícolas para permanecer en el campo.

CUBA TODAY sirve como un foro para el diálogo acerca de las interacciones entre el trabajo y el comercio en Cuba. Los artículos siguientes sobre las industrias agrícolas de Cuba demuestran que trabajar en esta área puede ser lucrativo para los

trabajadores cubanos. Los artículos indican también que las mejores prácticas comerciales por parte de inversionistas extranjeros en la región pueden beneficiar a los trabajadores cubanos.

El volumen de la primavera de 2001 de *CUBA TODAY* examinó el turismo. Los volúmenes subsiguientes explorarán las telecomunicaciones y la industria pesada tal como la minería. Cada sector juega un papel cada vez más importante en el desarrollo de la economía cubana y en la mejora de la calidad de la vida para los ciudadanos cubanos.

Incentivos en el Sector Agrícola

por Jason Feer
Editor, CubaNews

La agricultura ha sido la base de la economía cubana por siglos y aún lo sigue siendo. Ningún otro sector emplea más cubanos. La agricultura representa abrumadoramente la porción más grande del producto interno bruto (PIB) del país, cuando se incluyen el azúcar, la producción de alimentos y el ganado.

Más la agricultura es una de las áreas de más pobre rendimiento de la economía. Se preveía que los esfuerzos del gobierno para reformar el sector tras la revolución de 1959 eran para aumentar la cantidad de tierra bajo cultivo, introducir tecnologías modernas, y colectivizar la producción alimentaria. En algunos aspectos, el gobierno tuvo éxito al duplicar el área de terrenos bajo cultivo, al

aumentar la cantidad de terrenos irrigados, al agregar centenares de depósitos, y al aumentar significativamente el uso de abonos.

Sin embargo, los resultados de estas grandes inversiones han sido sorprendentemente decepcionantes. La industria azucarera es un ejemplo de ello. La productividad ha caído en picada de 8 millones de toneladas en 1990 a un poco más de 4 millones de toneladas en 2000, y la cosecha de este año de apenas poco más de 3.5 millones de toneladas, debido en parte a una grave sequía, es evidencia adicional de debilidad.

La producción de arroz, un alimento básico de la dieta cubana, también ha bajado—de 308,000 toneladas en 1990 a

154,000 toneladas en 1999 (el último año para el cual se encuentran figuras disponibles). Se prevee que la sequía tendrá un impacto substancial en este sector y tanto como en la producción cárnica y lechera.

CATEGORÍAS DE INCENTIVOS

El gobierno ha introducido varias reformas basadas en incentivos en el sector agrícola para revivir la industria, con diversos resultados. Los estímulos generalmente se pueden clasificar en dos categorías y están relacionados a si los productos son para la exportación o para el consumo interno.

Los Sectores con Inversión Extranjera Generalmente Ofrecen Incentivos

Los trabajadores en el sector de los cítricos, una creciente industria de exportación, reciben pagos pequeños en divisa fuerte como estímulo para aumentar la productividad y cumplir las metas de producción. El sector de los cítricos ha sido uno de los más exitosos en adaptarse a los requisitos de los mercados de exportación debido en gran parte a los incentivos y a la aplicación de técnicas extranjeras de administración por inversionistas internacionales.

El sector azucarero es otra cosa. Este sector fue una vez la fuente más grande de ganancias de divisa fuerte de la isla antes de que el turismo lo fuera, y aún es el empleador más grande. La colectivización del sector azucarero y la introducción de técnicas mecanizadas de cultivo en los años 60 y 70 tuvo inicialmente como resultado aumentos significativos de producción. Sin embargo, este crecimiento fue muy subvencionado al emplear el trabajo gratuito de estudiantes y al suministrar abono, combustible, y equipo pesado de la Unión Soviética baratos. Cuando ese apoyo terminó a comienzos de los 90, el sector se fue hacia abajo.

Medidas de Reforma

El gobierno ha tratado de crear varias reformas las cuales han fallado en poner freno al descenso. A principios de los años noventa, el gobierno creó una clase nueva de cooperativa, las Unidades Básicas de Producción Cooperativa (UBPC). Bajo este modelo, la tierra se arrienda a agricultores quienes después están obligados a vender una cantidad fija de caña de azúcar al gobierno a un precio fijo. El exceso de caña se puede vender a precios más altos. Gran parte de la caña que se produce en la isla viene de estas cooperativas. Sin embargo, debido a que no existe el mercado libre en el sector de la caña de

azúcar — el gobierno es el único comprador — los agricultores generalmente no ganan mucho dinero de las cooperativas.

Éstas bajas ganancias han reducido la eficacia de la introducción de un mecanismo basado en el mercado. Los aumentos recientes del precio que el gobierno le paga a los sembradores de caña han ayudado, pero la industria continúa perdiendo trabajadores rurales que se trasladan a las ciudades en búsqueda de trabajos con mejor remuneración.

El modelo de las UBPC ha tenido mucho más éxito en la producción de verduras y otros productos alimenticios para el mercado doméstico. La decisión de permitir que los agricultores vendan verduras, frutas y otros alimentos en mercados agrícolas a precios libres ha sido un verdadero estímulo para las cooperativas. Su sobrante tiene ahora el valor verdadero, aunque ellos aún deban vender una cuota fija de su producción al gobierno (pero a menudo el producto de menor calidad).

EL EMPLEO DISPAREJO DE INCENTIVOS

El empleo de incentivos en la producción alimentaria se ha realizado irregularmente. Por ejemplo, las industrias cárnica y lechera han sido unas de las de peor rendimiento en la economía durante la década pasada, en parte por la gran dependencia en el pienso importado en los 80. Mas los oficiales cubanos han estado reacios a introducir cualquier estructura de incentivos por razones que son poco claras. El resultado es una escasez de productos cárnicos y lácteos y problemas crecientes de robo de ganado. Mientras que se permita que los agricultores vendan carne en mercados agrícolas, y así tener algún aliciente para producir, el problema del robo de ganado ha empeorado.

Los esfuerzos del gobierno para introducir incentivos en el sector agrícola, cuando se aplican racionalmente, han producido modestos resultados. La fruta y las verduras, así como también la carne, se encuentran disponibles en abundancia en mercados agrícolas, aunque a precios demasiado altos para muchos cubanos. Existe un resentimiento entre los cubanos pobres de que los aumentos en la producción han ido en gran parte a la creciente industria de turismo del país. Sin embargo, el empleo disparejo de incentivos y la falta de mecanismos basados en la economía de mercado han dificultado los esfuerzos de reformar significativamente la agricultura y aumentar la producción de alimentos. ■

CubaNews es una publicación mensual que se trata del comercio y la política en Cuba. Vea los volúmenes en línea en www.cubanews.com. Busque el comentario de Jason Feer en el próximo volumen de CUBA TODAY, cuando él aborde el tema de la industria de telecomunicaciones en Cuba y la posición de los trabajadores en ese sector.

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Empleo, Inversión Extranjera, y Agricultura en Cuba

por William A. Messina, Jr,

Coordinador Ejecutivo, Centro de Comercio y Desarrollo Agrícola Internacional,
Universidad de Florida

En un viaje reciente a Cuba como líder de una delegación de representantes de la industria agrícola y agropecuaria de EE.UU., me preguntaban continuamente: "¿Para quién trabaja esta persona (ya sea agricultor, trabajador en una fábrica de cigarros, empleado de un hotel, o guía de viajes)?" Mi respuesta era siempre la misma: "En Cuba, en la mayoría de los casos, es para 'el gobierno'." A pesar de mi respuesta consistente, la pregunta persistía a través del viaje, indicando cuán extranjera es la economía planeada de Cuba para aquellas personas que entienden una economía de mercado. Mi respuesta fue quizás más desconcertante para la delegación en referencia a los empleados de negocios que son empresas conjuntas entre el gobierno cubano y firmas extranjeras.

TEMAS DE EMPLEO

Como todo el mundo lo sabe, el gobierno cubano requiere que las compañías extranjeras hagan un contrato con el estado sobre el empleo de ciudadanos cubanos y paguen al gobierno los salarios de los empleados en divisa

fuerte. El gobierno cubano, por su parte, paga a los empleados en pesos a una tasa que habilita que el gobierno gane realmente una tasa cerca del 95 por ciento de los sueldos.¹

Los empleados de algunas empresas conjuntas reciben gajes y otros beneficios (incluyendo, para aquellos que trabajan en el sector turístico, el acceso a propinas en divisa fuerte). A pesar de la injusticia aparente de tal sistema de compensación, estos beneficios hacen que los trabajos en empresas conjuntas extranjeras sean de los más codiciados en el país.² Este sistema proporciona al gobierno cubano la divisa fuerte que emplea para comprar en mercados mundiales las importaciones que necesita desesperadamente. Pero a causa del número limitado de oportunidades de empleo en empresas conjuntas, el sistema no puede generar por sí mismo los dólares suficientes para sacar de sus dificultades a la economía cubana.

EL PAPEL DE LA AGRICULTURA

El sistema de empleo en empresas conjuntas ha tenido un impacto

relativamente pequeño en el sector agrícola y en el de procesamiento de alimentos en Cuba sencillamente porque ha habido pocas empresas conjuntas en agricultura.³ Esta situación refleja principalmente el limitado poder adquisitivo doméstico en Cuba. Las firmas extranjeras generalmente están interesadas en invertir sólo en bienes con el potencial de venta en mercados de exportación. Sin embargo, el gobierno cubano ha aplicado otras normas que han tenido un impacto notable en el bienestar de los trabajadores en el sector agrícola de Cuba.⁴

El fracaso económico de la economía cubana que comienza en 1989 está bien documentado. El desplome ocurrió después de la pérdida repentina de los subsidios y del apoyo económico (estimados en quizás tan altos como US\$8 mil millones por año) proporcionados por medio de relaciones preferentes de comercio con la antigua Unión Soviética y las naciones de COMECON de Europa del Este.

En la agricultura, la resultante falta de habilidad de importar abonos,

El autor es co director de la iniciativa de investigación del Centro de Comercio sobre la agricultura cubana. Información adicional acerca de esta iniciativa está disponible en www.cubanag.ifas.ufl.edu. Este artículo no tiene el propósito de apoyar propuestas de política ni iniciativas de la National Policy Association ni de cualquier otra institución. Se preparó por invitación de la NPA con el interés de presentar análisis y evaluaciones actuales y objetivas del sector agrícola cubano bajo una iniciativa de investigación en curso en el Departamento de Alimentos y de Economía de Recursos (Department of Food and Resource Economics) en el Instituto de Ciencias y de Alimentos Agrícolas (Institute of Food and Agricultural Sciences) en la Universidad de Florida.

1. Algunos analistas discuten que esta norma es simplemente parte de los esfuerzos del gobierno cubano para mantener estricto control sobre todos los aspectos de la economía. Sin embargo, en la compleja economía socialista de Cuba, la explicación dista de ser sencilla debido a que implica divisas fuertes, tasas de cambio de divisas internas oficiales contra no oficiales y las afirmaciones igualitarias de la revolución cubana.

2. Por lo general, hoy en día cualquier trabajo que ofrezca oportunidades para obtener propinas en divisa fuerte es muy tentador en Cuba.

3. Menos del 10 por ciento de las empresas conjuntas en Cuba han estado en el sector agrícola y de procesamiento de alimentos. Para detalles adicionales acerca de este tema, vea a María Antonia Fernández Mayo y James E. Ross, "Cuba: Foreign Agribusiness Financing and Investment" (1998, <http://edis.ifas.ufl.edu/pdf/files/FE/FE16100.PDF>).

4. Para información adicional acerca de los cambios de política en el sector agrícola de Cuba, vea a José Álvarez y William A. Messina, "Cuba's New Agricultural Cooperatives and Markets: Antecedents, Organization, Early Performance and Prospects" (1996, www.lanic.utexas.edu/la/cb/cuba/asec/cuba6/28alvmess.fm.pdf); y Messina, "Agricultural Reform in Cuba: Implications for Agricultural Production, Markets and Trade" (1999, www.lanic.utexas.edu/la/cb/cuba/asec/cuba9/messina.pdf).

plaguicidas, combustible, equipo, y repuestos ha tenido un impacto substancial en la productividad.⁵ Sin embargo, al comienzo de los años del "Período Especial," el gobierno cubano encontró que la producción en fincas cooperativas más pequeñas (que representaban sólo cerca del 12 por ciento del área de terrenos agrícolas) no fallaba tan dramáticamente como la producción en las grandes fincas estatales, altamente mecanizadas y de insumos intensivos (que comprendían aproximadamente el 85 por ciento del área de terrenos agrícolas). En respuesta, el gobierno comenzó a dividir la mayoría de las fincas estatales en cooperativas de producción agrícola más pequeñas conocidas como Unidades Básicas de Producción Cooperativa (UBPC) en 1993. Este desarrollo de la política fue importante estructural y filosóficamente para Cuba.

Creación de las UBPC y MA para Beneficiar la Agricultura

Mientras que las UBPC ayudaron a hacer más lenta la disminución de productividad, no invirtieron inmediatamente el descenso de la producción agrícola. Las capacidades agrícolas y la importación de alimentos de Cuba permanecieron limitadas a causa de las exportaciones drásticamente reducidas del país. Como resultado, la escasez de alimentos continuó, y se desarrolló un activo mercado negro de productos alimenticios. Las compras en el mercado negro se realizaban exclusivamente en

dólares de EE.UU. La escasez de alimentos para aquellas personas sin acceso a dólares recibidos por remesas enviadas por familiares en el exterior o de propinas en el sector de turismo alcanzó niveles críticos en el verano de 1994.

Para ayudar a enfrentar esta situación, el gobierno cubano abrió los mercados agrícolas (o MA) en el otoño de 1994 por todo el país para que los agricultores vendieran su producto excedente (la producción más allá de los cupos que el estado requiere que se le venda) a precios del mercado libre.⁶ La estructura de los MA es de tal forma que las transacciones se llevan a cabo en pesos, así ayudan a "blanquear" el mercado negro y aumentan el acceso a los alimentos afuera del sistema de raciones.

Como resultado de estos dos cambios de política, parecía que el sector agrícola en Cuba estaba dirigiendo la transición hacia una economía más orientada hacia el mercado.⁷ Sin embargo, en 1993-94, la economía cubana finalmente tocó fondo. La mayoría de los analistas concuerdan que la economía ha demostrado un lento pero constante crecimiento en cuanto al producto interno bruto cada año desde entonces. Por consiguiente, la presión inmediata para llevar a cabo reformas adicionales ha sido por lo menos temporalmente relajada, y el gobierno no ha visto la necesidad de aplicar reformas adicionales. De hecho, el gobierno ha controlado la puesta en marcha de reformas previas en sectores distintos al agrícola.

En un país donde la escasez de alimentos ha llegado a ser la norma, los agricultores pueden estar económicamente mejor que otras personas en el país. Los agricultores se benefician de tener acceso a los alimentos que ellos cultivan en lotes de "auto suministro," limitando así la necesidad de gastar los escasos ingresos en aumentar los alimentos disponibles a través del sistema de racionamiento. Además, lo recaudado de la venta de la producción excedente de los agricultores en los MA puede proporcionar beneficios financieros significativos, especialmente a los productores y a las cooperativas agrícolas más eficientes.

LA BUSQUEDA DE EQUILIBRIO

Cuba continúa buscando un equilibrio entre las reformas orientadas al mercado (incluyendo mercados agrícolas, empresas conjuntas con compañías extranjeras, y trabajo por cuenta propia en ciertos campos) y los principios socialistas y planificación central bajo las cuales ha funcionado durante los últimos 40 años. Esto es, en efecto, un equilibrio difícil de mantener.

Durante la mayor parte de la década de 1990, el gobierno cubano se refirió frecuentemente a sus esfuerzos para "introducir" o "integrar" su economía a la economía global. Sin embargo, durante los años pasados, Fidel Castro y otros oficiales cubanos de alto nivel han apelado cada vez más a las naciones en vía de desarrollo por el mundo entero a que rechacen el proceso de "Globalización Neoliberal." Estos llamados pueden indicar el reconocimiento del gobierno cubano de la incompatibilidad de su sistema económico socialista y de planificación central con las fuerzas del mercado que impulsan la economía global de hoy en día. ■

5. La industria críticamente importante del azúcar ha sido afectada a tal extremo que los niveles de producción durante dos de las últimas tres temporadas han sido unos de las más bajos en más de 50 años, mucho menos de la mitad de los niveles producidos a finales de los años 80.

6. Los vendedores en los mercados pagan un impuesto pequeño al gobierno. Se debe notar también que el gobierno cubano agrega alimentos de sus propios inventarios a los mercados agrícolas cuando se cree que los precios en los mercados se pueden estar encareciendo, una indicación clara de que el gobierno entiende la relación entre la oferta y la demanda en los mercados.

7. Otro cambio importante de la política, aunque no está relacionado directamente a la agricultura, fue la decisión del gobierno cubano en 1993 de permitir que los ciudadanos cubanos tuvieran dólares.

Empleo de Mecanismos de Mercadeo para Ofrecer Alimentos a Precios Asequibles

por Philip Peters

Vice Presidente, Lexington Institute

Las familias Cubanas confiaban principalmente en un libro pequeño, la libreta, para poner alimentos en la mesa. Los comestibles se compraban, se almacenaban, y se distribuían por una empresa estatal, el Acopio. Cada libreta de familia muestra la asignación mensual de alimentos que se puede obtener en los centros de distribución del vecindario.

LOS AGROS

Reformas hechas en 1993 y 1994 crearon una segunda fuente legal de distribución de alimentos, una red de 304 mercados agrícolas que opera a través de Cuba. Por medio de estos agros, todos los productores, inclusive fincas estatales, cooperativas, y fincas privadas pueden vender su sobrante en el mercado libre. Cerca del 73 por ciento del producto en los agros es suministrado por agricultores privados, y los precios fluctúan según la oferta y la demanda. Entrevistas con vendedores revelan que muchos ganan ingresos entre 5 y 10 veces más que el sueldo promedio cubano.

Decido a que los alimentos proporcionados hoy en día por la libreta raramente alcanzan para las necesidades mensuales, los agros suponen una diferencia significativa en las provisiones de alimentos. Mientras que los cubanos con salarios estatales promedio compran en los agros, los cubanos de altos ingresos también lo hacen. Aquellos que trabajan en empresas conjuntas, reciben primas de producción de sus empresas estatales, trabajan por cuenta propia o reciben remesas de parientes en el exterior. De este modo, aunque los agros se crearon para aumentar los suministros de alimentos al alcance del bolsillo, las fuerzas del mercado hacen que sus precios reflejen el poder adquisitivo de los

trabajadores de altos ingresos. Como lo indica la tabla en la página 6, no todos los cubanos pueden tener acceso a productos libremente valorados.

OTROS SUMINISTRADORES DE ALIMENTOS

Para crear fuentes adicionales de alimentos a precios asequibles, el gobierno tomó tres medidas. Primero, abrió mercados pequeños, llamados placitas, con precios fijados que son más bajos que los de los agros, pero más altos que los de los alimentos bastante subvencionados que se compran con la libreta. Sus ventas son substanciales y alcanzan cerca de dos tercios del valor de ventas de los agros en 2000.

Segundo, bajo otro propuesto del gobierno, el estado y grandes cooperativas venden alimentos una vez al mes directamente a los consumidores a precios bajos en ferias o en mercados fuera de la ciudad. Tercero, los suministros del estado se entregan de vez en cuando directamente a los agros para venderlos a precios bajos.

Desde 1995, Cuba también ha usado la agricultura urbana para aumentar los suministros de alimento, agregar productos frescos a la dieta cubana, y crear una fuente de alimentos que no cargue al sistema de transporte del país. Los organopónicos son jardines en grandes extensiones en las afueras de las ciudades o en pequeños lotes en vecindarios residenciales. Las cosechas en los 2,611 organopónicos de Cuba se trabajan intensivamente a mano en camas levantadas de tierra enriquecida orgánicamente. Los productos alimenticios se venden desde puestos en la calle los cuales los trabajadores abastecen de nuevo cuando sea necesario

con verduras y hierbas recién escogidas. Los precios son generalmente por lo menos un 20 por ciento más bajos que aquellos en los mercados agrícolas.

En un organopónico en la parte sur de La Habana, 16 trabajadores cultivan un terreno de más de 3,000 metros cuadrados. El salario básico del trabajador es de 245 pesos al mes, un poco más alto que el salario cubano promedio. Sin embargo, ellos pueden ganar considerablemente más por las primas si su productividad individual excede las normas medidas y si las rentas en general son altas. Un trabajador explicó que en buenos meses la prima de la producción puede ser entre 800 y 900 pesos.

En enero de 2000, el libro de contabilidad de este organopónico mostró que se gastaron 2,740 pesos en salarios básicos y apenas 721 pesos en gastos no relacionados con los salarios. El beneficio comercial de este mes permitió que se añadieran casi 8,000 pesos a las primas de producción de los trabajadores.

Las innovaciones del gobierno en desarrollar suministros de alimento a precios asequibles han ayudado a invertir la disminución en el consumo nutricional y de calorías que los cubanos sufrieron durante la crisis económica a principios de los 90. No obstante, los oficiales cubanos no están satisfechos con el progreso que han hecho.

Sólo el tiempo dirá si Cuba tomará medidas adicionales para liberalizar la producción y venta de alimentos. Hasta ahora, sin embargo, el uso de incentivos de producción, los precios libres y los mecanismos de ventas privadas han aumentado el suministro de alimentos mientras que han hecho que los agricultores, los vendedores en el mercado y sus intermediarios reciban ingresos más altos. ■

Alimentos en el mercado libre: lo que cuestan . . .

. . . y quién los puede comprar

Precios de la Canasta de mercado* en ciertos agros

Diciembre de 1996, La Habana	50.50 pesos
Marzo de 1998, La Habana	46.00
Octubre de 1998, La Habana	49.50
Febrero de 1999, La Habana	44.25
Febrero de 1999, Santiago	35.50
Marzo de 2000, La Habana	39.25
Marzo de 2000, Santa Clara	33.60
Agosto de 2000, La Habana	43.40

*La canasta consiste de una libra de chuletas de cerdo, de arroz y de frijoles negros; dos libras de tomates; tres limas; y una cabeza de ajo.

Tiempo de trabajo requerido para los cubanos en ciertas ocupaciones para pagar por una canasta de mercado.

Retirado con pensión	7.2 días
Empleado en guardería infantil	5.8 días
Cubano con salario estatal promedio	4.0 días
Maestro	2.7 días
Subdirector, empresa estatal	1.9 días
Médico en la Sala de Urgencias	1.9 días
Empresario promedio	12 días
Trabajador de níquel en empresa conjunta	1.1 días
Guardián en una fábrica de cigarrillos	7.0 horas
Vendedor de carne en el mercado	6.0 horas
Conductor de taxi privado en La Habana	3.5 horas

Fuente: Estudios de precio y salarios del Lexington Institute (Arlington, Virginia, www.lexingtoninstitute.org/cuba). Cálculos del poder adquisitivo basados en precios en La Habana en marzo de 2000.

Tendencias Actuales en el Sector Agrícola de Cuba

por Laura Enriquez

Profesora Asociada de Sociología, Universidad de California en Berkeley

P: ¿Qué tendencias ha encontrado en el sector agrícola cubano durante su investigación en la isla?

R: Basada en mi investigación de cuatro municipios rurales cubanos realizada en 1998, así como también en varios viajes a la isla, la condición de los pequeños agricultores ha mejorado en varias maneras desde mediados de los 90. Estos agricultores, que incluyen productores de todos los sectores de la agricultura menos del estado, tienen más acceso a terrenos por la subdivisión de las fincas estatales que comenzó en 1993 y a la concesión de pequeñas parcelas de tierra estatal a parceleros; la disponibilidad de consumos intermedios (incluso consumos no químicos) ha aumentado; los mercados agrícolas han vuelto a abrir; y una mayor

priorización general de este sector ocurrió a medida que la gravedad de la situación de alimentos en Cuba se hizo aparente.

Comenzando en 1990, el cambio de la relación de Cuba con lo que era la Unión Soviética condujo a un énfasis renovado en la agricultura. La necesidad repentina de Cuba de producir sus propios alimentos engendró cambios inmediatos y significativos en su política, incluso el de animar a muchos antiguos trabajadores urbanos a que trabajaran en el sector agrícola. Por lo tanto, un gran porcentaje de los que se mudaron a trabajar en la agricultura después de 1990 no tenían experiencia en esta área. La agricultura se convirtió cada vez más atractiva para los trabajadores urbanos a medida que la producción en las fábricas disminuyó o éstas se cerraron, el desempleo urbano aumentó y la crisis de alimentos creció, especialmente en áreas urbanas. El gobierno ofreció también varios incentivos, incluso más acceso a la vivienda, para alentar el cambio a la

agricultura. Hoy en día, los pequeños agricultores andan mejor que el trabajador salariado promedio, a pesar del hecho de que los puestos urbanos aún tienen una condición más alta que los rurales.

Los que cultivan más cerca a La Habana ganan significativamente más que los que cultivan en el oriente de Cuba, una tendencia que paralela la situación de la población en su totalidad. No obstante, en términos del potencial de ganancias, los productores agrícolas en el oriente de Cuba aún tienen una mejor posición económica que los trabajadores con salarios promedio, especialmente porque las agricultores ayudan a cumplir con sus propias necesidades esenciales al producir alimentos.

La producción agrícola también recibió otro aliciente. Hasta 1980, todos los productos agrícolas se vendían por medio del estado. Entre 1980-86, los mercados agrícolas se volvieron cada vez más comunes, y los agricultores obtenían ganancias adicionales de su producto

La investigación actual de la autora compara el impacto de la reforma económica en pequeños agricultores en Nicaragua y en Cuba. Esta entrevista fue realizada por Jillian Frumkin, Ayudante de Programa, Proyecto de NPA de Cuba, el 5 de abril de 2001.

excedente a medida que los precios en estos mercados dependían de la oferta y la demanda. En 1986, el gobierno cerró los mercados porque decidió que los agricultores se hacían ricos a costa de sus clientes, o sea trabajadores cuyos sueldos eran fijos. Pero en 1994 el gobierno volvió a abrir los mercados y permitió que las fincas estatales se incluyeran en la venta de productos excedentes allí (se les había excluido de los mercados en los 80).

Así, los agricultores pueden ahora aumentar sus ingresos por la venta del sobrante. Por contraste, no existen oportunidades en muchas puestas asalariadas de recibir beneficios de socios extranjeros, de ganar ingresos extra, ni de tener garantía al acceso a una variedad de comestibles.

Otra indicación de que se le ha dado prioridad a la agricultura, más que a algunos otros sectores económicos desde comienzos de los 90, es la reestructura del sistema educativo. Ahora existen más oportunidades para el estudio en campos relacionados a la producción agrícola que en algunas otras áreas. Por ejemplo, se anima a los estudiantes (en la forma de aperturas para seguir estudios universitarios) a que sigan carreras como trabajadores de extensión agrícola en vez de abogados.

P: ¿Cómo han beneficiado a los agricultores cubanos las cooperativas creadas en Cuba?

R: El sector cooperativo comenzó en los 60 con la reforma agraria en Cuba. A los arrendatarios, aparceros y ocupantes ilegales se les otorgó el derecho de reclamar la tierra que ellos habían trabajado previamente. Pero el gobierno mostró claras preferencias para las fincas estatales y buscó la incorporación voluntaria de terrenos privados en el sector del estado. Dada la renuencia continua de algunos agricultores de ceder su tierra al estado y convertirse en trabajadores, el gobierno cambió de enfoque y comenzó a promover su organización en cooperativas a

mediados de los 70.

Hoy en día existen cinco tipos de fincas en Cuba:

- (1) Las fincas del Estado.
- (2) Las UBPC (Unidades Básicas de Producción Cooperativa) se formaron por la subdivisión de fincas estatales en 1993. Teóricamente, son cooperativas independientes, pero todavía trabajan de cerca con fincas estatales.
- (3) Las CPA (Cooperativas de Producción Agrícola) son propiedad colectiva y los miembros las manejan. Grupos de campesinos que unificaron sus tierras y recursos y comenzaron a cultivar colectivamente iniciaron las CPA. Ahora muchos otros, inclusive los que anteriormente no tenían tierra o de una generación más joven se han unido a las CPA como miembros activos. Los miembros originales recibieron reconocimiento financiero por su contribución a la cooperativa.
- (4) Las CCS (Cooperativas de Crédito y Servicio) se componen de agricultores que trabajan individualmente su propia tierra y se juntan sólo para ciertos servicios. Los miembros incluyen aquellos que adquirieron su terreno por herencia o reforma agraria. Más recientemente, en los años 90, muchos se convirtieron en parceleros y se han unido a las CCS.
- (5) Los parceleros.

¿Por qué promovió el gobierno las cooperativas? Hubo varias razones para reducir el tamaño de la producción agrícola en los 90. Ocurrió una gran escasez de insumos después de la desintegración de COMECON y fue necesario adoptar niveles de tecnología más bajos en la producción agrícola. El tamaño masivo de las fincas estatales lo dificultó. Al reducir el tamaño, fue más posible, por ejemplo, integrar de nuevo bueyes en la producción (para reemplazar tractores) e introducir plaguicidas orgánicos. De la misma manera se hizo claro que cuando los agri-

cultores creen que el trabajo que ellos hacen en la tierra se reconoce, su productividad aumenta. En fincas estatales, sin embargo, debido a que los trabajadores se organizaron en grandes brigadas y se extendieron sobre áreas inmensas, esta clase de reconocimiento fue difícil de desarrollar.

Por contraste, miembros de las cooperativas tienen más sentido de identidad con la finca. Además, se les remunera cada vez más en proporción directa a su nivel de producción, lo cual los anima a dar su todo al esfuerzo. Mi trabajo ha mostrado que sus ingresos reflejan los incentivos nuevos para aumentar la producción. Por otra parte, las cooperativas son generalmente más eficientes económicamente que las fincas estatales, siendo las CCS las más eficientes, seguidas por las CPA y finalmente por las UBPC. Este hecho se había notado durante muchos años, pero no fue sino hasta principios y mediados de los 90 que esas políticas de gobierno comenzaron a reflejar esta realidad. Una indicación temprana de tal reconocimiento fue el involucramiento de miembros más antiguos de las CCS como consejeros al gobierno en técnicas de producción con respecto a ciertas cosechas.

P: ¿La presencia de la inversión extranjera ha cambiado la calidad de la vida de los trabajadores agrícolas?

R: La inversión extranjera en el sector agrícola en Cuba ha traído tanto beneficios como nuevos dilemas para los trabajadores y los encargados de formular políticas. Ha aliviado parte del embotellamiento que se había desarrollado a principios de los 90 en la provisión de insumos, y ha ayudado en el desarrollo de nuevas relaciones de mercadeo extranjeras. Mas la inversión extranjera en general ha causado también una mayor diferenciación socioeconómica. Por ejemplo, los trabajadores en el sector de turismo en Cuba pueden ganar más que los doctores al recibir propinas en dólares.

Tales diferenciales sociales grandes surgen debido a que las entidades extranjeras proporcionan acceso a dólares (en el caso del turismo), ayuda tecnológica, mercados para las cosechas y ayuda de mercadeo (en el caso de la agricultura).

Las cooperativas agrícolas que han desarrollado relaciones de trabajo en colaboración con inversionistas extranjeros (generalmente organizaciones de gobiernos extranjeros o no gubernamentales) están claramente en una mejor posición económica que aquellas que no las tienen. El gobierno quiere inversionistas extranjeros a causa de los beneficios que ellos proporcionan. Pero el gobierno está también claramente enterado de la complejidad de introducir inversiones extranjeras en sectores de producción y de controlar todos las consecuencias indirectas.

Las asociaciones con inversionistas extranjeros existen en varios sectores agrícolas, inclusive verduras, fruta cítrica, tabaco, miel y mangos. Los inversionistas

españoles tienden a dominar el tabaco e inversionistas de Israel la fruta cítrica. Como se mencionó anteriormente, los inversionistas proporcionan préstamos agrícolas, contribuciones tal como equipo (incluyendo sistemas de irrigación) y apoyo tecnológico y de mercadeo. Los beneficios para las cooperativas incluyen aportaciones (por ejemplo, acceso a tecnología y equipo), así como también primas potenciales ofrecidas por inversionistas extranjeros en efectivo o en bienes. Estas primas, o incentivos, habilitan a las cooperativas a comprar artículos escasos tal como ropa o equipo, aunque sus ingresos monetarios verdaderos no sean más que los de la cooperativa cubana promedio.

Los sistemas de incentivo se componen típicamente del pago parcial por el producto alimenticio en bienes como ropa de trabajo (o el crédito para tales bienes) que generalmente sólo se puede comprar en divisas (en otras palabras, dólares). En la mayoría de los

casos, las cooperativas emplean los incentivos para hacer compras colectivas (como en el caso de la ropa de trabajo). Sin embargo, el gobierno ofrece otros alicientes aún donde no hay socio extranjero cuando el estado está ansioso de producir artículos tal como tabaco para la exportación. En estos casos, a los miembros se les da crédito para hacer compras personales en dólares o se les dan inclusive los dólares mismos. Éste último es el método preferido porque los agricultores pueden usar los dólares como ellos quieran. Los inversionistas extranjeros mantienen un enfoque de no intervención en su relación con las cooperativas agrícolas de Cuba y ofrecen cierta clase de ayuda y facilitan la venta del producto, pero su presencia en las cooperativas no es abrumadora. Ellos no participan en las decisiones cotidianas de la agricultura y no pueden poseer terrenos agrícolas en Cuba. ■

CUBA TODAY

verano de 2001

Vol. 2, No. 2

Publicado por la National Policy Association

Este boletín informativo ha sido posible con el apoyo del Bureau for Latin America and the Caribbean, Agencia para el Desarrollo Internacional. Los puntos de vista expresados son los de los autores y no representan necesariamente los de la USAID, NPA, o las organizaciones miembros del Grupo de Trabajo sobre Cuba.

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CUBA TODAY

Best Business Practices and Labor Rights

Fall 2001

Vol. 2, No. 3

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CUBA TODAY presents the third issue in a four-part series exploring foreign investment and the rights of workers in Cuba. This issue focuses on the telecommunications industry on the island. There are challenges and opportunities for Cuban workers in this sector as they confront a reality that continually shifts as well as one that reflects decisions made over decades.

CUBA TODAY serves as a forum for dialogue on the interactions between labor and business in Cuba. The following articles note that the modernization of telecommunications

will help to transform Cuba from an emerging nation to an international competitor in the sale of its products and services. Information technology (IT) will become one of Cuba's major exports. Meanwhile, Cuban IT industries are seeking to expand joint ventures with foreign partners, and the government has prioritized improvement of the national telecommunications infrastructure.

The previous two issues of *CUBA TODAY* looked at Cuba's agriculture sector and the tourism industry. The fourth issue in this series will explore heavy industry such as mining.

The Great Possibilities of Telecommunications in Cuba

by *Dr. Byron L. Barksdale*
Director, Cuba AIDS Project

and *John H. Barksdale*
Vice President, Havana Bay Company

The theme of the Cuba Pavilion at the 1939 World's Fair in New York City was "The Great Possibilities of Cuba." In the new millennium, a theme for Cuba may be "The Great Possibilities of Telecommunications in Cuba" if a feasible transition occurs that allows all sectors of the economy, including private individuals, to openly access and fully utilize the Internet and telecommunications in Cuba.

TOURISM AND MODERN TELECOMMUNICATIONS

Traditionally, the economy of Cuba has been commodity based, principally on tobacco (cigars), sugar, and rum. While biotechnology and tourism have recently been designated as engines of growth for the new Cuban economy, the historical commercial exports of Cuba remain sugar, tobacco, coffee, seafood, citrus, and

tropical fruits. Cuba has produced an effective vaccine against Type B *Neisseria meningococcal meningitis* that international pharmaceutical giants hope to produce and sell worldwide. This year, Cuba has a goal of receiving two million tourists. These tourists will talk about the world beyond Cuban shores, including the World Wide Web, global politics, world labor activities, and the ease of global connectivity with

modern telecommunications. They will request full Internet access while in Cuba. To meet this demand, Cuba has provided cybercafes, business centers in major hotels, and cellular telephone rentals. Tourists pay a hefty fee for Internet use and mobile telecommunications, about US\$5.00 for 30 minutes at Habana Libre Hotel. The broad range of information, products, and services that the Internet provides, demonstrated daily by tourists' use of the Internet, has not gone unnoticed by workers in Cuba.

An International Network and Telecommunications Conference is held annually in Havana under the auspices of the Centro de Diseño de Sistemas Automatizados, a branch of the Ministry of Science, Technology, and Environment. These conferences explore electronic commerce, new Internet technologies, utilization of the Web, security of networks, and information services, and they feature exhibits of modern networking products and technologies.

FUELING THE UNDERGROUND ECONOMY

Despite the growing awareness of the Internet among the Cuban populace, as in China, the Cuban government has temporarily limited — through cost, access restrictions, strict and severe penalties, and inadequate infrastructure — the presence of the Internet and modern telecommunications among private

citizens. However, Cuba's highly educated population is countering the restrictive efforts of the government. Workers in all sectors of the economy are increasingly likely to have completed high school or a five-year university education. These educated workers see foreigners using cell phones, the Internet, and other media to coordinate their daily activities; they see tourists networking and leaving Cuba, if only in cyberspace, for remote destinations on the Web, including U.S.-domiciled Web sites. Cuban workers and their families want whatever it takes to be a part of the global community.

The government's prohibitions and harassment are relatively insignificant obstacles to Internet usage for a population burdened by a weak economy. In fact, many Cuban workers and private citizens view the Internet as a major way to improve their financial net worth by privately and directly selling art, music, and crafts and contracting with tourists planning to visit Cuba. These growing entrepreneurial efforts, facilitated by the Internet and telecommunications, bypass Cuban legal and tax authorities. Such capitalism in action fuels the underground economy and individual prosperity because the entrepreneurs are paid directly by foreigners in untaxed dollars.

Young Cuban workers, like their counterparts in China, want to be compensated for their goods and services at market rates, not

through the structured compensation of a socialist economy. Further motivating Cubans to augment and "squirrel away" their assets are recurring concerns about the health of Fidel Castro and what will happen in Cuba when he dies. Democratic nations and worker friendly unions should encourage Cuban entrepreneurial efforts because they will eventually contribute to the underpinnings of "Best Business Practices" needed in Cuba in the post-Castro era.

THE GROWTH OF INFORMÁTICOS AND "BLACK MARKET ACCOUNTS"

As the island integrates into the world economy, the Cuban people are becoming more Internet and telecommunications savvy and, as noted, are ignoring a law that prohibits unauthorized private Internet use in Cuba. A growing number of new revolutionaries, known as *informáticos*, are resisting the efforts of the government to "keep the Cuban version of the Internet Genie in its socialist embodied lamp." Private citizens, including employees at cybercafes, tourist resorts, and universities, are increasingly logging onto Yahoo Spanish language-based homepages or CNN, have user names on Yahoo or Hotmail to access e-mail, utilize instant messaging, read foreign publications, search large internationally located databases, and download music and images.

Older Cuban workers remember the extensive rights accorded to workers under the 1934, 1935, and 1940 Constitutions. In 1940, the Cuban Socialist Party applauded the new worker rights, which included the right to form independent unions, to strike (with notice to the Secretariat of Labor), to individual or collective bargaining, to freedom of assembly, speech, and the press, and to prohibit forced labor. In 1959, the Castro government suspended the 1940 Constitution and later attempted to address those rights in the socialist Cuban Constitution of 1992. However, this later version of worker rights is secondary to socialist dogma and is adjudicated arbitrarily by socialist-oriented (versus politically impartial) courts. Further, as Article 62 of the 1992 Constitution states, none of these rights "can be exercised against the 1992 Constitution and Cuban laws, nor against the socialist state."

To have full (albeit illegal) Internet access in Cuba requires a private telephone line (which is difficult to obtain), an Internet access device (usually a personal computer with a modem), and dial-in capability to the Internet for a monthly fee (about \$35 per month). Private black market full Internet access is one of the most rapidly growing areas of the underground economy. To offset the growth of these "black market accounts" or "account sharing" of uncensored information by individuals, the government is plac-

ing more computers in public schools and opening and operating cybercafes (in the Plaza de Armas and the Capitolio, for example). The state is also allowing widespread access by young people to formal and Internet-facilitated computer courses and a censored version of the Internet through universities, secondary schools, post offices, and 150 socialist-oriented, government-supervised Youth Computer Clubs.

EARLY TELECOMMUNICATIONS EFFORTS

After the Spanish-American War, the United States put in place the foundation for public health, housing, transportation, and telecommunications projects in Cuba. The first telephone company was the Cuban American Telephone Company prior to World War I. The first undersea cable between Cuba and the United States was installed by AT&T in 1921.

The pace of improvements in telecommunications in Cuba (mostly implemented from 1938 through 1945) abruptly stopped with the 1959 insurrection against Batista and the U.S.-imposed trade embargo instituted in 1962. Land reform, education reform, health reform, and nationalization of non-Cuban companies, along with the defense of the new government, took priority.

By 1995, the government's multidecade neglect of Cuban telecommunications resulted in infrastruc-

ture that was obsolete and in poor working condition. Outdated coaxial cable trunk systems, using an X.25 network, are standard in Cuba. High speed Internet and telecommunications services, domestically and those connected to international communities, are limited despite the 1980 authorization by the Cuban Communist Party Congress of the development of computerized telecommunications. The first real domestic electronic network did not become operative in Cuba until 1988. AT&T, Sprint, and MCI began offering direct dialing to Cuba in 1994. However, payment of usage tax and royalties to Cuba has been clouded by recent U.S. court decisions following the "Brothers to the Rescue" incident when Cuban jets shot down civilian airplanes over the Florida Straits in 1996.

INCREASING CUBA'S GNP THROUGH TELECOMMUNICATIONS

For its future gross national product growth, Cuba is betting heavily on hard currency earnings in fields such as biotechnology, medicine, and tourism, fields that demand state-of-the-art telecommunications and connectivity to the Internet. As Cuba tries to diversify its national products and services away from commodity-based sectors, principally agriculture, the great possibilities (and realities) of modern telecommunications are becoming more evident:

- internationally – Cuban Web masters are creating attractive Web sites (under the .cu domain) to lure tourists and foreign investors to the island and to sell Cuban products; and
- domestically – historic avenues are being dug up to lay high speed digital lines and cable.

There are four major Cuban government-controlled networks: CENIAI, CIGBnet, TinoRed, and InfoMed. International Internet connectivity of academic institutions, government-owned commercial entities, and research facilities appears to be more important to the government than individual Internet access. Portability and mobility through wireless networks are becoming more evident in Cuba today through joint ventures with foreign entities. One example is Teléfonos Celulares de Cuba (Cubacel), the cell phone company of Cuba. Cubacel offers products and services in Havana and major tourist areas. Cubacel was originally a joint venture between Telecomunicaciones Internacionales de México, S.A. (TIMSA) and Cuba. Sherritt International, based in Toronto, owns a minority interest in Cubacel.

DESPITE BARRIERS, OPPORTUNITIES ABOUND

Ramping up telecommunications in Cuba requires a tremendous amount of capital that socialist Cuba simply does not have, and

there are numerous difficulties ahead in modernizing telecommunications and the Internet. Potential joint ventures with the Cuban telephone system face three primary obstacles. First, the telephone network is inherently the same as it was prior to the 1959 revolution. Second, remittances between the United States and Cuba have been affected by recent U.S. court decrees, and these have had a chilling effect on potential investors. Indeed, Cuba cannot receive remittances from its largest long-distance market. Finally, the Cuban economy and peso (which lacks liquid hard currency convertibility) remain fragile despite meager gains during Cuba's recovery from the "Special Period," precipitated by the collapse of the USSR. Socialist Cuba, like North Korea, remains a relic of the Cold War. Despite these barriers, however, and where permitted, opportunities abound within strategic initiatives being put in place by the Cuban government and funded through joint ventures with foreign domiciled partners.

Cuba is an emerging nation in terms of realizing the full potential of modern telecommunications, data communications, and the Internet. Nevertheless, these areas will improve dramatically by 2004. By then, per capita Internet access and use (including e-learning) will increase, infrastructure barriers will be removed, network security questions will be properly addressed, and high access charges will be re-

solved. Private citizen use of the Internet will thus dramatically increase. These changes will lead Cuba's workers, especially entrepreneurs, further into a knowledge economy and e-commerce. Cuba will be on its way to becoming competitive in the sale of its products and services in global markets. ■

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Members of the Cuba Working Group

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- American Chamber of Commerce of Cuba in the United States (AmCham Cuba)
- Confederation of Netherlands Industry and Employers (VNO-NCW)
- Consejo Mexicano de Comercio Exterior (COMCE)
- The Conference Board of Canada
- Cuba Policy Foundation
- Florida International University
- Instituto Tecnológico Autónomo de México (ITAM)
- National Policy Association
- Pax Christi Netherlands
- Prince of Wales Business Leaders Forum
- United Food and Commercial Workers International Union (UFCW)
- U.S. Chamber of Commerce
- U.S. Cuba Business Council

Human Development Is Key to Cuba's Growth as a Silicon Island

by *Stephane d'Amours*

President, Consortium, Silicon Island Inc.

Another revolution is ongoing in Cuba, an e-revolution that is based on human development.

Cuba will emerge in the new economy as an information-rich, highly educated, and intelligence-oriented nation. Information technology (IT) will become one of its major exports. Thousands of foreign students will e-learn in Cuban universities, medical professionals from around the world will use Cuba's tele-health services, and Cuba's call centers will serve Spanish-speaking markets. International IT companies will make strategic alliances with Cuba in order to enter the future markets of the Free Trade Agreement of the Americas.

Almost every sector of the Cuban economy is now open to foreign investors. The Cuban government is determined to make Cuba a viable and prosperous hi-tech economy — a Silicon Island.

Cuban IT companies and the thousands of highly skilled Cuban workers who already have 5-20 years of experience in this field want to establish dynamic partnerships with foreign investors. The Cuban IT companies focus on turn-key software development, offshore programming, tele-health, multimedia, tourism, agriculture, and geomatic solutions (such as aeronautical charts, geodetic surveys, and remote sensing). Software ex-

ports are already worth millions of dollars and have grown more than 600 percent since 1999.

THE HUMAN FACTOR

Human development is the key to the success of the IT revolution in Cuba. The island has a significant advantage over its competitors because it provides social services such as education and health to its citizens. Software industry decision-makers are highly attuned to the human factor, which is their greatest asset.

Cuba has the most qualified human resource pool in the hemisphere. The Cuban education system and the government's commitment to educate students in information technology through centers of higher learning single Cuba out among the nations in the region. Cuba has almost 24,000 professors and more than 300,000 students in 47 universities island-wide. It has more university and college graduates per capita than any Latin American country. IT is an integral part of the education system; it begins in the seventh grade in primary school and continues through universities and technical colleges.

In 1970, the University of La Havana and the Central University of Las Villas were the first in Cuba to have a master's degree program in computer science. Since then, a

number of specialized higher education programs have been expanded to include computer engineering, telecommunications engineering, robotics, systems control, and automation engineering. More than 30,000 students have graduated from higher education programs in computer science and electronics. Thousands of teaching degrees have also been awarded in higher education mathematics and computer science. In response to the needs of and the skills required by the Cuban and international IT industry, universities in Cuba currently offer 10 master's degree programs focusing on IT.

The average teacher-professor/student ratio for all education levels is 1 to 14. One out of 15 Cubans is a university graduate. One out of 8 Cubans is a technician. Cuba has 12 percent of all the engineers in South America and the Caribbean.

Numerous examples can be found today in Cuba of aeronautical engineers working as taxi drivers and doctors working as waiters in bars and restaurants. However, as Cuba begins to more fully make use of its valuable human resources, there will be more cases of people working in their chosen profession. The development of the Cuban IT industry will contribute to the more extensive use of the island's highly skilled labor force. Indeed, the

growth of IT is bringing great jobs. The highly motivated skilled IT workers will contribute to major economic improvements in Cuba.

Many IT companies have introduced special incentives, such as bonuses and increased social benefits, to prevent the brain drain and encourage IT workers to remain at home. Working conditions in Cuban software companies are similar to those in North America; they are dynamic and allow for creativity. Women and youth account for a large part of this new generation of e-revolutionaries.

THE GOVERNMENT'S VISION

The Cuban government recently created a new ministry as an arm for its IT strategy: the Ministry of Information and Communications

(MIC). Its main objectives are to increase computer access for all Cuban society and to promote the growth of Cuba's IT industry.

At the core of the plan is a national intranet with wide access to schools, computing clubs, and post offices. The telephone system will be upgraded at a cost of hundreds of millions of U.S. dollars. The telecommunications network will be fully digitalized. This plan will bring IT into every sector of the economy. It will increase access to information, communication, and services for Cuban citizens, and it will allow the country to enter the new info-economy.

President George W. Bush has stated that the Internet will bring freedom to China. U.S. Secretary of State Colin Powell has asserted that

"The rise of democracy and the power of the information revolution combine to leverage each other." Some hope that technology will help bring about that change in Cuba. When more people communicate, ideas flow more freely. ■

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Telecommunications in Cuba: Present and Future

by Enrique J. Lopez

President, AKL Group, Inc.

Telecommunications is a primary catalyst in the economic growth of developing nations. Cuba is no exception. Telecommunications in the Third World has traditionally been limited to voice communications within the limited national networks that connect these countries to the international community. Long distance calling service has long been a reliable and significant source of revenue for the developing world.

The global evolution of the "information landscape" has expanded available media and methods of communication. Today's telecommunications portfolio consists, minimally, of transporting voice, data, and video communications through diversified information highways that range from traditional telephone networks to sophisticated wireless communications platforms. The need to transport various forms of information is

driven by current regional and global economic realities. A deficient national telecommunications infrastructure is a significant handicap.

UPGRADING CUBA'S TELECOMMUNICATIONS INFRASTRUCTURE

Cuba recognized this problem and prioritized the evolution of its national telecommunications infra-

structure to digital technology. In 1991, it launched its first private investment participation in a joint venture with Telecomunicaciones Internacionales de México, S.A. (TIMSA), and its state-owned telecommunications company, creating Teléfonos Celulares de Cuba (Cubacel), a cellular telephone service provider. Cuba has continued to participate in other joint ventures with foreign partners from Mexico (Grupo Domos, 1994), Italy (STET, 1995), Canada (Sherritt International, 1998), and Taiwan (Zytel, 2000). China is an active participant in Cuba's telecommunications industry, having given Cuba US\$200 million in soft credits for the purchase of Chinese telecommunications equipment, contracted with ETEC S.A. (Cuba's national telecommunications provider) to supply US\$300 million in equipment, and donated and installed a digital system. Grupo Domos' participation was unsuccessful due to the financial difficulties it encountered during Mexico's economic recession of 1995, which forced the group to sell its participation to STET.

The island's present telephone density of between 4.5 to 5.5 lines per 100 inhabitants remains low by global standards and even ranks below that of its neighboring Caribbean countries. Estimates of the investment required to upgrade Cuba's national telecommunications infrastructure range from US\$900 million for the national telephone infrastructure to approximately US\$2.5 billion for the full comple-

ment of voice, data, and video communications infrastructure. The estimate includes increasing the national telephone density to 11 per 100 inhabitants, with the density expanding to 15 per 100 inhabitants in the city of Havana by 2004.

Officials estimate that investment to date has been in excess of US\$1 billion, primarily for industry sectors that required upgraded service levels to operate and generate much needed revenue. Prioritized sectors are education, medicine, tourism, government, business, diplomatic corps, and financial institutions. The long-term real growth of telecommunications must rely on these sectors because the disposable income of the Cuban people will not support the per line revenues necessary for the planned upgrades. Also playing a significant role in how fast the planned national deployment can occur will be the government's flexibility in relaxing its political agenda and allowing citizens unrestricted access to the world via voice and data communications. Since the beginning of the Cuban revolution, the flow of information within the country and with the outside world has been closely monitored.

International long distance service has been a primary revenue generator within Cuba's telecommunications industry. A significant majority of this revenue stream, approximately between \$50 million-\$70 million, comes from the long distance traffic between Cuba and the United States. This revenue will be affected in the future as Cuba

expands its efforts to include national digital networks capable of supporting electronic mail, Internet access, voice-over Internet protocol, and other applications that do not rely on a voice-based network.

A REGIONAL TELECOMMUNICATIONS HUB

Cuba's telecommunications future will not depend solely on the island's ability to improve the national telecommunications infrastructure. It will also depend on Cuba's ability to capitalize on its geographic location and size. These factors make Cuba a potential candidate for a regional telecommunications hub. Other factors on Cuba's side are its cultural and language affinity with most of its Caribbean and Latin American neighbors, proximity to the North American market, education level of the Cuban people, widespread health care, and low labor costs.

As a regional telecommunications hub, Cuba could provide operator and directory assistance services for international long distance carriers as well as regional market support call centers for multi-industry manufacturers and vendors. Cuba could realize these services by improving its internal telecommunications infrastructure and establishing connectivity with the multiple fiber optic routes and hundreds of undersea miles of fiber optics that exist in the region. This connectivity would give Cuba a much needed high speed technological door to the world.

U.S. foreign policy toward Cuba will be a major force in the economic development of the island, including the magnitude and pace of foreign investment in Cuba. Telecommunications is but one sector that will be impacted by American policy, primarily due to the sector's high dependence on technology and its cost. Cuba's present financial position, its population's low per capita income, and a global shortage of investment capital do not support foreign investors' plans for profitability within the telecommunications sector. The events on September 11, 2001, may have an impact on U.S. foreign policy toward Cuba, one that may reflect a stronger stance that could further erode the island's efforts to attract foreign investment in technology-related sectors. ■

Cuban Telecom Facts

- Telephone density remains low by global standards, ranging between 4.5 lines and 5.5 lines per 100 inhabitants, and is well below the density of neighboring Caribbean countries.
- Estimates of required investment for upgrading Cuba's national telecommunications infrastructure range from US\$900 million for the national telephone infrastructure to approximately US\$2.5 billion for the full complement of voice, data, and video communications infrastructure.
- There are an estimated 5,500 to 7,000 cellular subscribers today in Cuba.
- Software exports are already worth millions of dollars and have grown more than 600 percent since 1999.
- Cuban officials say that foreign companies and the government have made investments of more than US\$1 billion in the telecommunications sector since the early 1990s.
- For the first quarter of 2001, Telecom Italia S.p.A. reported a 17 percent decrease in operating income for ETEC S.A., Cuba's national telecommunications provider. The drop followed the severing of links with the United States by the Cuban government on December 15, 2000, the last step in the long battle between Cuba and America over the two U.S. aircraft shot down by Cuban aviation in 1996.
- International traffic in Cuban telecommunications fell by 8 percent in that quarter, a loss only partially offset by a 5 percent rise in national traffic stemming from growing Internet use.

Sources: *Business Guide to Cuba* (CubaNews, 2000) and *Economic Eye on Cuba* (U.S. - Cuba Trade and Economic Council, Inc., Oct. 22-28, 2001).

CUBA TODAY

Fall 2001

Vol. 2, No. 3

Published by National Policy Association.

This newsletter was made possible through support provided by the Bureau for Latin America and the Caribbean and the U.S. Agency for International Development. The views expressed by the authors are their own and do not necessarily represent those of USAID, NPA, or the member organizations of the Cuba Working Group.

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CUBA TODAY

Best Business Practices and Labor Rights

otoño del 2001

Vol. 2, No. 3

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CUBA TODAY presenta el tercer número de una serie de cuatro partes que explora la inversión extranjera y los derechos de los trabajadores en Cuba. Este número se enfoca en la industria de las telecomunicaciones en la isla. Existen retos y oportunidades para los trabajadores cubanos en este campo a medida que ellos se enfrentan ante una realidad que cambia constantemente, así como a una que refleja las decisiones tomadas a través de decenios.

CUBA TODAY sirve como un foro para el diálogo acerca de las interacciones entre labor y negocios en Cuba. Los siguientes artículos notan que la modernización de las telecomunicaciones ayudarán a

transformar a Cuba de un país emergente a un competidor internacional en la venta de sus productos y servicios. La Tecnología de Información (IT, por sus siglas en inglés) se convertirá en una de las principales exportaciones de Cuba. Entre tanto, las industrias cubanas de IT buscan expandir empresas conjuntas con socios extranjeros, y el gobierno ha hecho una prioridad mejorar la infraestructura nacional de las telecomunicaciones.

Los dos números anteriores de *CUBA TODAY* abordaron la agricultura y el turismo. El cuarto número de esta serie explorará la industria pesada como la minería.

Las grandes posibilidades de las telecomunicaciones en Cuba

por el Dr. Byron L. Barksdale
Director del Proyecto de Cuba contra el SIDA
y John H. Barksdale
Vicepresidente, Havana Bay Company

El tema del pabellón de Cuba en la Feria Mundial de 1939 en la ciudad de Nueva York fue "Las grandes posibilidades de Cuba." En el nuevo milenio, un tema para Cuba podría ser "Las grandes posibilidades de las telecomunicaciones en Cuba," si ocurre una transición posible que permita que todos los sectores de la economía, incluso los individuos, tengan acceso abierto y que utilicen totalmente el Internet y las telecomunicaciones.

EL TURISMO Y LAS TELECOMUNICACIONES MODERNAS

La economía de Cuba se ha basado tradicionalmente en productos,

principalmente en tabaco (cigarros), azúcar y ron. Mientras que la biotecnología y el turismo se han sido designados últimamente como motores de crecimiento para la nueva economía cubana, las exportaciones comerciales históricas de Cuba siguen siendo azúcar, tabaco, café, mariscos, cítricos y frutas tropicales. Cuba ha producido una vacuna eficaz contra meningitis serogrupo B, *Nisseria meningococcal*, que las gigantescas compañías farmacéuticas internacionales esperan producir y vender mundialmente. Este año, Cuba tiene la meta de recibir dos millones de turistas. Estos turistas hablarán acerca del mundo mas allá de

las costas cubanas, incluyendo la World Wide Web, política mundial, actividades laborales del mundo y la facilidad de la conectividad global con las telecomunicaciones modernas. Ellos exigirán tener acceso total al Internet durante su estadía en Cuba. Para cumplir con esta exigencia, Cuba provee cafés cibernéticos, centros de negocios en los principales hoteles, y alquiler de teléfonos celulares. Los turistas pagan altos precios por utilizar el Internet y los celulares, cerca de US\$5.00 por 30 minutos en el Hotel Habana Libre. La amplia variedad de información, productos y servicios que la Internet provee, demostrada a diario

por el empleo del Internet por los turistas, no ha pasado desapercibida por los trabajadores en Cuba.

Una Conferencia Internacional de Redes y Telecomunicaciones se celebra todos los años en La Habana patrocinada por el Centro de Diseño de Sistemas Automatizados, una rama del Ministerio de Ciencia, Tecnología y el Medio Ambiente. Estas conferencias exploran el comercio electrónico, nuevas tecnologías del Internet, uso de la red, seguridad de las redes y servicios de información, y presentan exhibiciones de productos y tecnología modernos de "networking."

ALIMENTACIÓN DE LA ECONOMÍA CLANDESTINA

A pesar de la creciente conciencia sobre el Internet entre el pueblo cubano, como en China, el gobierno cubano ha limitado temporalmente—por medio del costo, restricción al acceso, estrictas y severas penalidades e infraestructura inadecuada—la presencia del Internet y del telecomunicaciones modernas entre los ciudadanos civiles. La población cubana, altamente educada, está contrarrestando los esfuerzos restrictivos del gobierno. Es cada día más probable que los trabajadores en todos los sectores de la economía hayan terminado secundaria o cinco años de universidad. Estos trabajadores educados observan a los extranjeros usando celulares, el Internet y otros medios de comunicación para coordinar sus actividades diarias; ven a los turistas haciendo "networking" y saliendo de Cuba, así sea solo en el espacio cibernético, a destinos remotos en la red, incluyendo sitios red con sede en Estados Unidos. Los trabajadores

cubanos y sus familias desean hacer lo que sea para formar parte de la comunidad mundial.

Las prohibiciones y el hostigamiento del gobierno son obstáculos relativamente insignificantes para el uso de Internet para una población que carga una economía frágil. De hecho, muchos trabajadores cubanos y ciudadanos civiles ven al Internet como la manera principal de mejorar su valor neto financiero al vender arte, música y artesanías en privado y en directo, y al hacer contratos con turistas que planean visitar a Cuba. Estos crecientes esfuerzos emprendedores, facilitados con la ayuda del Internet y las telecomunicaciones, ignoran a las autoridades cubanas jurídicas y de impuestos. Tal capitalismo en acción alimenta la economía clandestina y la prosperidad individual porque los extranjeros les pagan a los emprendedores directamente en dólares libres de impuestos.

Los jóvenes trabajadores cubanos, como sus colegas en China, ser compensados por sus productos y servicios a precios de mercado, no por medio de la compensación estructurada de una socialista. Lo que motiva aún más a los cubanos para que aumenten y ahorren sus bienes son preocupaciones recurrentes acerca de la salud de Fidel Castro y lo que pasará en Cuba cuando él fallezca. Las naciones democráticas y los comprometidos a los trabajadores deben alentar los esfuerzos emprendedores porque ellos contribuirán a reforzar las "Mejores Prácticas de Negocios" que se necesitan en Cuba en la era pos-Castro.

EL AUMENTO DE INFORMÁTICOS Y "CUENTAS DEL MERCADO NEGRO"

A medida que la isla se integra a la economía mundial, la gente cubana está entendiendo más en cuanto al Internet y las telecomunicaciones, y como se mencionó anteriormente, está ignorando una ley que prohíbe el uso privado y sin autorización de Internet. Un creciente número de nuevos revolucionarios conocidos como informáticos, resiste los esfuerzos del gobierno para "mantener la versión cubana del Internet en su la cárcel del socialismo." Los ciudadanos civiles, incluyendo los empleados de los cafés cibernéticos, de los centros turísticos y de las universidades, están entrando al sistema a las páginas principales de Yahoo en español o de CNN, tienen nombre de usuario en Yahoo o Hotmail para tener acceso a correo electrónico, utilizan mensajes instantáneos, leen publicaciones extranjeras, investigan grandes bases de datos localizadas en el extranjero y bajan música e imágenes

Los trabajadores cubanos de más edad se acuerdan de los amplios derechos otorgados a los trabajadores según la constituciones de 1934, 1935 y 1940. En 1940, el Partido Socialista Cubano aplaudió los nuevos derechos de los trabajadores, los cuales incluían el derecho de formar sindicatos independientes, de entrar en huelga (avisándole al Ministro de Trabajo), de negociaciones colectivas o individuales, de libertad de reunión, de palabra, y de prensa, y de prohibir el trabajo forzado. En 1959, el gobierno de Castro suspendió la constitución de 1940 y más tarde intentó abordar esos derechos en la constitución socialista cubana de

1952. Sin embargo, esta última revisión de los derechos de los trabajadores es secundaria al dogma socialista y es juzgada arbitrariamente por cortes orientadas al socialismo (en vez de cortes imparciales políticamente). Aún más, así como lo indica el Artículo 63 de la Constitución de 1992, ninguno de estos derechos "se puede ejercer en contra de la Constitución de 1992 ni de las leyes cubanas, ni en contra del estado socialista."

Tener total (aunque ilegal) acceso al Internet en Cuba requiere una línea de teléfono privada (la cual es difícil de obtener), un aparato para tener acceso al Internet (generalmente un computador personal con módem), y una capacidad para conectarse a Internet por una suma mensual (alrededor de US\$35 mensuales). El acceso total, privado y del mercado negro al Internet es una de las áreas de más alto crecimiento de la economía clandestina. Para compensar el crecimiento de estas "cuentas del mercado negro" o "compartir cuenta" de información sin censura por parte de los individuos, el gobierno está colocando más computadores en las escuelas públicas y está abriendo y operando cafés cibernéticos (por ejemplo, en la Plaza de Armas y en el Capitolio). El estado también permite el amplio acceso de gente joven a cursos de computación formales y por medio del Internet, y una versión del Internet censurada a través de universidades, escuelas secundarias, oficinas de correo, y 150 Clubes Juveniles de Computación orientados al socialismo y supervisados por el gobierno.

PRIMEROS ESFUERZOS EN TELECOMUNICACIONES

Después de la Guerra Hispano-Americana, Estados Unidos creó la base para proyectos de salud pública, vivienda, transporte y telecomunicaciones en Cuba. La primera empresa de teléfonos fue la Empresa de Teléfonos Cubana-Americana antes de la Primera Guerra Mundial. El primer cable por debajo del mar entre Cuba y Estados Unidos lo instaló AT&T en 1921.

El ritmo de las mejoras en las telecomunicaciones en Cuba (la mayoría implementadas entre 1938 y 1945) se detuvo abruptamente con la insurrección contra Batista en 1959 y el embargo comercial impuesto por Estados Unidos en 1962. La reforma agraria, educativa y de salud, y la nacionalización de empresas extranjeras, junto con la defensa del nuevo gobierno, se convirtieron en las principales prioridades.

Para 1995, la negligencia de las telecomunicaciones por parte del gobierno durante decenios resultó en una infraestructura obsoleta y en pobres condiciones de trabajo. Los sistemas de enlace de cable coaxial anticuados, que emplean una red de X.25, son el estándar en Cuba. Internet de alta velocidad y servicios de telecomunicaciones, domésticos y aquellos conectados a las comunidades internacionales, son limitados a pesar de la autorización del Congreso del Partido Comunista Cubano en 1980 de desarrollar telecomunicaciones computerizadas. La primera verdadera red electrónica nacional no empezó a funcionar en Cuba sino hasta 1988. AT&T, Sprint y MCI empezaron a ofrecer llamadas directas a Cuba en

1994. Sin embargo, el pago de impuestos por el uso y regalías a Cuba se han complicado por las recientes decisiones de la corte de Estados Unidos después del incidente de "Hermanos al Rescate" cuando los jets cubanos derribaron a aviones civiles sobre los estrechos de Florida en 1996.

EL AUMENTO DEL PIB DE CUBA POR MEDIO DE LAS TELECOMUNICACIONES

Para el futuro crecimiento del Producto Interno Bruto, Cuba está apostando bastante en las ganancias en moneda fuerte en campos como biotecnología, medicina y turismo, campos que requieren lo último en telecomunicaciones y conectividad al Internet. A medida que Cuba trata de diversificar sus productos y servicios nacionales fuera de los sectores basados en productos, especialmente la agricultura, las inmensas posibilidades (y realidades) de las telecomunicaciones modernas se hacen más evidentes:

- internacionalmente—Web masters cubanos están creando sitios Web atractivos (bajo el dominio .cu) para atraer turistas e inversionistas extranjeros a la isla y para vender productos cubanos; y
- nacionalmente: avenidas históricas se están cavando para instalar líneas y cables digitales de alta velocidad.

Existen cuatro redes cubanas principales, controladas por el gobierno: CENAI, CIGBnet, TinoRed e InfoMed. La conectividad al Internet internacional de las instituciones académicas, entidades comerciales propiedad del estado y centros de

investigación parece ser más importante para el gobierno que el acceso personal al Internet. Portabilidad y movilidad por redes inalámbricas son más evidentes en Cuba hoy en día por las empresas conjuntas con entidades extranjeras. Un ejemplo es Teléfonos Celulares de Cuba (Cubacel), la cual ofrece productos y servicios en las principales zonas turísticas de La Habana. Originalmente era una empresa conjunta entre Telecomunicaciones Internacionales de México, S.A. (TIMSA) y Cuba. Sherritt International, con sede en Toronto, es propietaria de intereses minoritarios en Cubacel.

A PESAR DE LAS BARRERAS, LAS OPORTUNIDADES ABUNDAN

Renovar las telecomunicaciones en Cuba requiere una gran cantidad de capital que Cuba socialista sencillamente no tiene, y existen numerosas dificultades en el camino para modernizarlas, así como el Internet. Posibles empresas conjuntas con el sistema de teléfonos de Cuba

enfrentan tres obstáculos fundamentales. Primero, la red telefónica es intrínsecamente la misma desde antes de la revolución de 1959. Segundo, los envíos entre Estados Unidos y Cuba se han visto afectados por los recientes decretos de las cortes estadounidenses, y éstas han tenido un efecto negativo en posibles inversionistas. De hecho, Cuba no puede recibir remesas de su mercado más grande de larga distancia. Por último, la economía cubana y el peso (el cual no tiene convertibilidad líquida en moneda fuerte) permanecerán frágiles a pesar de las ganancias minúsculas durante la recuperación cubana del "Período Especial" precipitado por el colapso de la Unión Soviética. La Cuba socialista, como Corea del Norte, permanece como una reliquia de la Guerra Fría. A pesar de estas barreras, sin embargo, y donde se permitan, las oportunidades abundan dentro de las iniciativas estratégicas que se están llevando a cabo por el gobierno cubano y financiadas por empresas conjuntas con socios domiciliados en el extranjero.

Cuba es una nación emergente en cuanto a la realización del potencial total de las telecomunicaciones modernas, comunicaciones de datos e Internet. Sin embargo, estas áreas mejorarán drásticamente por el 2004. Para entonces, el acceso per cápita al Internet y su uso (incluyendo el aprendizaje electrónico) aumentará, las barreras de infraestructura serán removidas, las preguntas sobre cuestiones de seguridad de la red se responderán adecuadamente y los altos costos de acceso se resolverán. Por lo tanto, el uso de Internet por la ciudadanía aumentará dramáticamente. Estos cambios llevarán a los trabajadores cubanos, especialmente a los emprendedores, aún más allá, a una economía de conocimiento y al comercio electrónico. Cuba estará en camino de convertirse en un país competitivo en la venta de sus productos y servicios en mercados mundiales. ■

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El desarrollo humano es clave para el crecimiento de Cuba como una Isla de Silicio

por Stephane d'Amours

Presidente, Consorcio, Silicon Island, Inc.

Otra revolución está sucediendo en Cuba, una revolución basada en el desarrollo humano. Cuba emergerá en la nueva economía como una nación rica en información, altamente educada y orientada hacia la inteligencia. La tecnología de información (IT, por sus siglas en inglés) se convertirá en una de sus principales exportaciones. Miles de estudiantes extranjeros aprenderán electrónicamente en universidades cubanas, los médicos de todas partes

del mundo utilizarán los servicios de salud por televisión de Cuba, y los centros de llamadas de Cuba servirán a los mercados hispanohablantes. Empresas internacionales de IT crearán alianzas estratégicas con Cuba para entrar a los futuros mercados del Tratado de Libre Comercio de las

Hoy casi todos los sectores de la economía cubana están abiertos a los inversionistas extranjeros. El gobierno cubano está determinado a convertir a

Cuba en una economía de alta tecnología, viable y próspera — una Isla de Silicio.

Las empresas IT de Cuba y los miles de trabajadores cubanos altamente calificados, que ya tienen entre 5 y 20 años de experiencia en este campo, desean establecer asociaciones dinámicas con inversionistas extranjeros. Las empresas IT de Cuba se enfocan en el desarrollo de software "turn-key" (llave en mano),

programación en el extranjero, tele-salud, multimedia, turismo, agricultura, y soluciones geomáticas (como mapas aeronáuticos, estudios geodésicos, y sensores remotos). Las exportaciones de software ya tienen un valor de millones de dólares y han crecido más de un 600 por ciento desde 1999.

EL FACTOR HUMANO

El desarrollo humano es la clave para el éxito de la revolución IT en Cuba. La isla tiene una gran ventaja sobre sus competidores debido a que provee servicios sociales, como salud y educación, a sus ciudadanos. Los que toman las decisiones en la industria de software entienden muy bien el factor humano, el cual es su mejor ventaja.

Cuba tiene los mejores recursos humanos del hemisferio. El sistema educativo cubano y el compromiso del gobierno a educar a los estudiantes en IT a través de centros de enseñanza superior destacan a Cuba entre los países de la región. Cuba tiene casi 24.000 profesores y más de 300.000 estudiantes en 47 universidades a través de toda la isla. Tiene más graduados de universidades per cápita que cualquier país latinoamericano. La IT forma parte integral del sistema educativo; empieza en el séptimo grado de la escuela elemental y continúa a través de la universidad y colegios técnicos.

En 1970, la Universidad de La Habana y la Universidad Central de Las Villas fueron las primeras en Cuba en ofrecer un programa de maestría en computación. Desde entonces, varios programas especializados en enseñanza superior se han ampliado para que incluyan ingeniería de computación, de telecomunicaciones y de automatización, robótica y control de sistemas. Más de 30.000 estudiantes se han graduado de programas de

educación superior en computación y electrónica. Miles de diplomas en educación también se han otorgado en matemáticas avanzadas y computación. En respuesta a las necesidades y aptitudes requeridas por la industria IT cubana e internacional, las universidades en Cuba ofrecen en este momento 10 programas de maestría con un enfoque en IT.

La proporción entre maestro-profesor/estudiante para todos los niveles educativos es 1 a 14. Uno de cada 15 cubanos tiene un diploma universitario. Uno de cada ocho es un técnico. Cuba tiene el 12 por ciento de todos los ingenieros en Suramérica y el Caribe.

Hoy en día se pueden encontrar numerosos ejemplos en Cuba de ingenieros aeronáuticos que trabajan como taxistas y de médicos que trabajan como meseros en bares y restaurantes. Sin embargo, a medida que Cuba empiece a utilizar más sus valiosos recursos humanos, habrá más casos de personas que trabajen en la profesión que escogieron. El desarrollo de la industria IT cubana contribuirá a la utilización más amplia de la fuerza laboral altamente calificada de la isla. De hecho, el crecimiento de la IT está brindando buenos empleos. Los trabajadores altamente motivados y calificados contribuirán a grandes mejoras económicas en Cuba.

Muchas empresas de IT han introducido incentivos especiales, como sobresueldos y más beneficios sociales, para evitar la emigración de personas calificadas y alentar a los trabajadores de IT a permanecer en la isla. Las condiciones de trabajo en las empresas de software cubanas se parecen a las de Norte América; son dinámicas y permiten creatividad. Las mujeres y jóvenes forman gran parte de esta

nueva generación de revolucionarios electrónicos.

LA VISIÓN DEL GOBIERNO

El gobierno cubano creó recientemente un nuevo ministerio como una herramienta para su estrategia de IT: El Ministerio de Información y Comunicaciones (MIC). Sus objetivos principales son aumentar el acceso de toda la sociedad cubana a los computadores y promover el crecimiento de la industria IT de Cuba.

En el centro del plan hay una red interna nacional con amplio acceso a escuelas, clubes de computación y oficinas de correo. El sistema de teléfonos será actualizado a un costo de cientos de millones de dólares. La red de telecomunicaciones será digitalizada completamente. Este plan incorporará la IT a todos los sectores de la economía. Aumentará el acceso a información, comunicación y servicios para los ciudadanos cubanos, y permitirá que el país entre a la nueva economía de información.

El Presidente George W. Bush declaró que Internet conllevará libertad para China. El Secretario de Estado de Estados Unidos Colin Powell afirmó que "el aumento de la democracia y el poder de la revolución de la información se combinan para influenciarse el uno al otro." Algunos esperan que la tecnología ayudará a traer ese cambio a Cuba. Cuando hay más comunicación entre las personas, las ideas vuelan con más. ■

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Las telecomunicaciones en Cuba: Presente y futuro

por Enrique J. López

Presidente, AKL Group, Inc.

Las telecomunicaciones son el catalisis principal en el crecimiento económico de las naciones en vías de desarrollo. Cuba no es una excepción. Las telecomunicaciones en el tercer mundo han estado por lo general limitadas a comunicaciones de voz dentro de las redes nacionales limitadas que conectan a estos países con la comunidad internacional. Las llamadas a larga distancia siempre han sido una fuente de ingresos significativa y confiable de los países en vías de desarrollo.

La evolución mundial "paisaje de la información" ha ampliado los medios y métodos de comunicación disponibles. El portafolio de telecomunicaciones de hoy en día consiste, como mínimo, del transporte de comunicaciones de voz, datos y video a través de autopistas de información diversificadas que varían desde redes telefónicas tradicionales hasta sofisticadas plataformas de comunicaciones inalámbricas. La necesidad de transportar varias formas de información es impulsada por las actuales realidades económicas regionales y globales. Una infraestructura de telecomunicaciones nacional deficiente es un obstáculo considerable.

ACTUALIZACIÓN DE LA INFRAESTRUCTURA DE LAS TELECOMUNICACIONES DE CUBA

Cuba se dio cuenta de este problema e hizo una prioridad la evolución de la infraestructura nacional de telecomunicaciones a una tecnología

digital. En 1991, lanzó su primera participación en una inversión privada en una empresa conjunta con Telecomunicaciones Internacionales de México, S.A. (TIMSA) y su empresa estatal de telecomunicaciones, lo que creó Teléfonos Celulares de Cuba (Cubacel), un proveedor de servicios de teléfonos celulares. Cuba ha continuado a participar en otras empresas conjuntas con socios extranjeros de México (Grupo Domos, 1994), Italia (STET, 1995), Canadá (Sherritt International, 1998) y Taiwán (Zytel, 2000). China es un participante activo en la industria telefónica de Cuba, ya que le otorgó a Cuba US\$200 millones en créditos blandos para la compra de equipo de telecomunicaciones chino, contratados con ETEC S.A. (el proveedor nacional de telecomunicaciones de Cuba) para suministrar US\$300 millones en equipos, y donó e instaló un sistema digital. La participación del Grupo Domos no fue exitosa debido a las dificultades financieras en las que se vio durante la recesión económica de México en 1995, la cual forzó al grupo a vender su participación a STET.

La densidad de teléfonos actual de la isla entre 4.5 y 5.5 líneas por 100 habitantes permanece baja según los estándares mundiales, e incluso está por debajo de los países vecinos en el Caribe. Los cálculos de la inversión requerida para actualizar la infraestructura nacional de telecomunicaciones de Cuba varían entre US\$900 millones para la infraestructura nacional de teléfonos

hasta US\$2.5 mil millones para completar totalmente la infraestructura de comunicaciones de voz, datos y video. El cálculo incluye el aumento de la densidad telefónica a 11 por 100 habitantes, ampliando la densidad a 15 por 100 habitantes en la ciudad de La Habana por el año 2004.

Según las estimaciones oficiales, la inversión hasta el momento ha sobrepasado US\$1 mil millones, primordialmente para los sectores de la industria que requerían niveles de servicio actualizados para funcionar y generar ingresos muy necesitados. Los sectores que tiene prioridad son educación, medicina, turismo, gobierno, comercio, diplomacia e instituciones financieras. El crecimiento verdadero a largo plazo de las telecomunicaciones debe contar con estos sectores porque el salario disponible de los cubanos no aguantará los ingresos por línea necesarios para las actualizaciones planeadas. Algo que también juega un papel significativo en qué tan rápido ocurrirá el lanzamiento nacional planeado será la flexibilidad del gobierno en relajar su agenda política y permitir a los ciudadanos el acceso al mundo sin restricciones por medio de comunicaciones de voz y de datos. Desde el principio de la revolución cubana, el flujo de información dentro del país y con el mundo exterior ha sido cuidadosamente vigilado.

El servicio de llamadas internacionales ha sido el principal generador de ingresos dentro de la industria de telecomunicaciones de

Cuba. Una mayoría considerable de este flujo de ingresos, aproximadamente entre \$50 y \$70 millones, vienen del tráfico de larga distancia entre Cuba y Estados Unidos. Estos ingresos se verán afectados en el futuro, a medida que Cuba aumenta sus esfuerzos para incluir redes nacionales digitales capaces de proveer correo electrónico, acceso al Internet, protocolos del Internet de doblaje, y otras aplicaciones que no dependen de una red basada en la voz.

UN CENTRO REGIONAL DE TELECOMUNICACIONES

El futuro de las telecomunicaciones de Cuba no dependerá solamente en la habilidad de la isla en mejorar la infraestructura nacional de telecomunicaciones. También dependerá en la habilidad de Cuba en capitalizar su locación geográfica y tamaño. Estos factores hacen de Cuba un candidato potencial para un centro regional de telecomunicaciones. Otros

factores a favor de Cuba son su afinidad cultural y lingüística con la mayoría de sus vecinos caribeños y de Latinoamérica, su proximidad al mercado Norteamericano, el nivel educativo del pueblo cubano, sistema de salud generalizado y bajos costos laborales.

Como un centro regional de telecomunicaciones, Cuba podría proveer servicios de operadora y de asistencia de directorio para los suministradores de servicios de larga distancia, así como también como centros de llamadas regionales de apoyo al mercado para los fabricantes y vendedores de varias industrias. Cuba podría llevar a cabo estos servicios al mejorar su infraestructura interna de telecomunicaciones y al establecer conectividad con las múltiples rutas de fibras ópticas y cientos de millas de fibras ópticas bajo el mar que existen en la región. Esta conectividad le abriría a Cuba la puerta al mundo de la muy necesitada tecnología de alta velocidad.

La política extranjera de Estados Unidos será un factor importante en el desarrollo económico de la isla, incluyendo la magnitud y el ritmo de las inversiones extranjeras en Cuba. El sector de las telecomunicaciones es meramente uno de los sectores que se verán afectados por la política estadounidense, debido principalmente a la gran dependencia del sector en tecnología y su costo. La actual situación financiera de Cuba, sus bajos ingresos per cápita y la escasez mundial de capital para invertir no acuerdan con los planes de ganancias de los inversionistas extranjeros en el sector de las telecomunicaciones. Puede que los sucesos del 11 de septiembre de 2001 tengan un impacto en la política extranjera hacia Cuba, una que puede reflejar una postura más firme que podría perjudicar aún más los esfuerzos de la isla para atraer inversión extranjera a los sectores relacionados a la tecnología. ■

Miembros del Grupo de Trabajo sobre Cuba

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Realidades de las telecomunicaciones cubanas

- La densidad de teléfonos permanece baja según los estándares mundiales, y varía entre 4.5 y 5.5 líneas por cada 100 habitantes, y está muy por debajo de la densidad de los países caribeños vecinos.
- Cálculos de la inversión requerida para actualizar la infraestructura nacional de telecomunicaciones de Cuba varían desde US\$900 millones para la infraestructura nacional de teléfonos hasta US\$2.5 mil millones para completar totalmente la infraestructura de comunicaciones de voz, datos y video.
- Se calcula que existen entre 5.500 y 7.000 abonados celulares en Cuba hoy en día.
- Las exportaciones de software ya valen millones de dólares y han aumentado más del 600 por ciento desde 1999.
- Funcionarios cubanos dicen que las empresas extranjeras y el gobierno han realizado inversiones de más de mil millones de dólares en el sector de las telecomunicaciones desde comienzos de la década de los noventa.
- Para el primer trimestre de 2001, Telecom Italia S.p.A. reportó una disminución del 17 por ciento en sus ingresos operacionales para ETEC S.A., el proveedor nacional de telecomunicaciones de Cuba. La disminución sucedió después de la rotura de lazos con los Estados Unidos por parte del gobierno cubano el 15 de diciembre de 2000, el último paso en la larga batalla entre Cuba y Estados Unidos sobre las dos aeronaves derribadas por la aviación cubana en 1996.
- El tráfico internacional en las telecomunicaciones cubanas disminuyó por 8 por ciento en ese trimestre, una pérdida parcialmente contrarrestada por un aumento del 5 por ciento en el tráfico doméstico como resultado del creciente uso de Internet.

Fuentes: *Business Guide to Cuba* (CubaNews, 2000) y *Economic Eye on Cuba* (U.S.-Cuba Trade and Economic Council, Inc., 22-28 de octubre de 2001).

CUBA TODAY

otoño del 2001

Vol. 2, No. 3

Publicado por la National Policy Association.

Este boletín informativo ha sido posible con el apoyo del Bureau for Latin America and the Caribbean, Agencia para el Desarrollo Internacional. Los puntos de vista expresados son los de los autores y no representan necesariamente los de la USAID, NPA, o las organizaciones miembros del Grupo de Trabajo sobre Cuba.

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CUBA TODAY

Best Business Practices and Labor Rights

March 2002

Vol. 2, No. 4

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CUBA TODAY presents the final issue in a four-part series exploring foreign investment and the rights of workers in Cuba. Previous issues in the series examined agriculture, tourism, and telecommunications. This issue focuses on the mining industry, which has had a long history on the island in exploring and extracting natural resources such as copper, gold, and nickel.

CUBA TODAY serves as a forum for dialogue on the interactions between labor and business in Cuba. The following articles provide an

understanding of the overall role of the mining industry in the Cuban economy, weakened by the worldwide recession and the aftermath of September 11. They explain the importance of U.S.-Cuba relations to the future of the island's economy. They also focus on how the economy and the mining industry in particular affect the lives of individual workers, noting that working in a mine operated as a joint venture can be significantly different from working in a nationally owned mine.

The Growth of Cuba's Mining Industry

by Gerardo Gonzalez Núñez

Professor of Economics, University of Puerto Rico, Metropolitan Campus

Cuba is in a region that has a complex geological base composed of structures of diverse origin, composition, and geological age. Cuba thus has an extensive variety of minerals, including copper, zinc, nickel, cobalt, iron, gold, bauxite, quartz, zeolite, kaolin, and phosphates. But Cuba's mining importance stems from the country's abundance of nickel and associated cobalt. With an estimated 37 percent of world reserves of nickel in Cuba, mostly in its eastern region, the island ranks first in world reserves of

nickel and second in world reserves of cobalt.

CUBA'S NICKEL AND COBALT PROCESSING PLANTS

The first processing plant of nickel and cobalt (today called René Ramos Latour) began operation in 1943 in Nicaro, in the eastern part of the country. This plant, which used U.S. technology, was opened mainly in response to the high demand for steel in the United States during World War II. The ending of

the war paralyzed Cuba's mining industry, just as the country had become the fourth largest producer of nickel worldwide. However, the armed conflict in Korea and the need for strategic raw materials in the United States created new demands, and the plant began to operate again in 1952, eventually producing 22,700 tons annually.

In 1960, a second plant was put into operation in Moa, also in Cuba's eastern section. Pedro Soto Alba uses a unique nickel and cobalt processing technology and is

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energy and metallurgically efficient. This plant has an annual capacity of 24,000 tons. The high efficiency of both plants as well as the Moa plant's novel processing technology have given Cuba a great competitive advantage over nickel producers internationally.

THE RISE AND FALL OF NICKEL PRODUCTION

Cuba's investment in nickel and cobalt extraction intensified when the island developed ties with the Soviet Union. In 1972, the two countries signed an agreement to modernize the Nicaro and Moa plants and to construct a third plant in the region of Punta Gorda, with a planned annual capacity of 30,000 tons. The new plant, Ernesto Ché Guevara, began operation in 1986. These investments resulted in a sustained increase in nickel production, which reached a record level of 46,000 tons in 1989.

Until the end of the 1980s, the European socialist bloc countries guaranteed a high priced market for Cuban nickel and at the same time provided the aid necessary for the operation of the three plants. The disintegration of the socialist bloc was therefore a hard blow to the mining sector. Production was reduced in the early 1990s, and by 1994, total production had fallen to just 26,000 tons. Low usage levels meant high operating costs. With the scarcity of fuel and other supplies, the industry quickly became undercapitalized and faced the threat of total shutdown.

REVIVING THE MINING INDUSTRY

The Cuban government placed a high priority on the recovery of nickel and cobalt production and to that end sought foreign investment. The government's first step was to adapt the legal framework to stimulate foreign investment in mining and to regulate its operation. Under the new mining law enacted in 1994, mining was declared a highly strategic sector. The state was given total control of all mining deposits, including the provision of concessions to foreign investors for the exploitation of the deposits. The duration of the concessions for geological research is 3 years, and for exploitation and processing, 25 years. These may be extended.

In 1994, the Nickel Union of Cuba and Sherritt International of Canada entered into a joint venture. The assets of the new business, Moa Nickel, S.A., include the Moa plant, a refinery in Fort Saskatchewan in Alberta, Canada, and a marketing corporation in the Bahamas. The Cuban government's mining concessions to this joint venture totaled 60 million tons of nickel ore, which ensured raw materials for the operation of the Moa plant for 25 years. In addition, the state granted 15,000 hectares with sufficient reserves for another 25 years.

The joint venture has introduced technological improvements that have lowered production costs and increased output at the Moa plant. The Nicaro and Punta Gorda plants have benefited from the joint

venture because they, too, have incorporated improvements in technology, management, and labor force training.

These efforts have revived Cuba's production and export of nickel. In 2000, production reached a record 72,000 tons, making Cuba sixth in world production of nickel. At the same time, the island recovered its international market, exporting nickel to more than 30 countries.

Nickel mining is not the only aspect of the industry that has profited from foreign investment. Copper, gold, silver, chromium, magnesium, lead, and zinc are also being evaluated, prospected, and extracted by foreign investors. The agreements between the state and foreign companies are risk-based contracts that include commercialization of the minerals.

The contracts that have shown substantial results include Holmer Gold Mines, which discovered gold, copper, lead, and zinc in Pinar del Río province; Caribgold Resources of Canada, which found gold in Camagüey province; and Miramar Mining Company, which operates a gold mine on La Isla de la Juventud. These contracts have brought significant technological advances that have allowed the exploration and extraction of minerals previously inaccessible because of the techniques used in Cuban mining.

Fifty-five associations have been established in the mining sector with foreign capital. Mining is thus the third largest sector in foreign investment. ■

Foreign Investment and the Mining Industry in Cuba

by *Martha Beatriz Roque*

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Cuba's most important areas of metallic minerals are in the Sierra Maestra mountain range in the east, in the Holguín province, around the Bays of Moa and Nipe, and in the Pinar del Río province. Cuba has about 800 million tons of nickel deposits that yield more than 19 million tons of pure nickel per year. Known reserves exist in the provinces of Camagüey and Pinar del Río. Cuba's only sulfite plant is in Pinar del Río. Modest quantities of chromium are found on the eastern part of the island. Kaolin and marble are extracted from La Isla de la Juventud.

Mining has not been a priority of the state for many years. However, nickel mining recently became an exception with the creation of joint ventures through foreign capital. Mining activity is governed by the Ministerio de Industria Básica. The company Geo Minera, S.A., whose specialty is prospecting and risk exploration, is in charge of business with foreign partners.

MINE CLOSINGS WORSENERD AREA ECONOMIES

Some important mines have been closed, including the copper mines of Matahambre in Pinar del Río and the Mina Grande de El Co-

bre in Santiago de Cuba and the gold mines on La Isla de la Juventud and in Pinar del Río. The closing of the mines and the connected labor centers has worsened the economic situation in these areas, particularly for the residents of Matahambre, a municipality once considered "the economic bastion of Pinar del Río" mainly because of its mining reserves. But the premature exhaustion of the copper deposits through exploitation and use of obsolete technologies paralyzed the mines.

As a resident of Matahambre explained: "We don't have anything to live on. The younger ones have two options: loiter around town or go to other municipalities. We are left only with broken promises and contaminated air, soil, and sea from the waste of the mines that the government exploited until it couldn't anymore."

SMALL BENEFITS FOR SOME MINERS

Nickel production is centered in the municipality of Moa in the Holguín province. Two Cuban companies are dedicated to the production of this mineral: Moa Nickel, S.A., which works with the Canadian firm Sherritt International, and

Ernesto Ché Guevara, which does not have a foreign partner.

There is considerable difference in the salaries and benefits of workers at the two plants. Moa Nickel workers collect a percentage (from 7 to 15 percent) of their salaries in dollars, based on monthly production. Their salaries are determined by the national wage scale. For example, an assistant of any position earns 220 pesos; an operator at a metallurgical plant, 260 pesos; an engineer, depending on his or her specialty, between 375 and 500 pesos; and an operator of control panels, 340 pesos. This means that a worker's monthly salary will be between US\$15 and \$35 using the smaller percentage and between \$33 and \$57 using the higher percentage. Payment is made by discounting the dollars of the salary based on the "official" exchange rate of one peso to one dollar. Therefore, if an engineer earns 375 pesos and receives a bonus of \$35, his or her salary in the national currency will be 340 pesos. In turn, Sherritt pays the state-designated salaries to the Cuban government in dollars. This ensures the business a net income from each worker's salary in addition to any profits that it makes.

Moa Nickel workers are given small benefits to improve morale.

They receive one bar of soap for washing and one for bathing every other month. At the end of the year, they are given a bag containing other personal hygiene articles. They also annually receive a pair of boots and a change of clothes.

In addition, workers can buy at low prices some food and drinks that are normally difficult to obtain. A bottle of beer, for example, is not meant to be sold in the national currency and costs 5 pesos. In the currency market, one bottle costs \$.60, equivalent to about 16 pesos (at the actual exchange rate of 26 pesos per dollar).

However, workers are required to give one dollar of their monthly bonus for health benefits, which the government calls a "voluntary donation." The union also demands dollars from workers whenever it has a problem or for various political activities. Workers cannot refuse to pay because they would immediately be removed from their jobs, and others are waiting to fill their positions to get the small benefits.

For their part, workers at the Ernesto Ché Guevara plant do not receive any material bonuses. Their low income has made their lives extremely difficult. They suffer from hunger and poverty and have little access to social institutions.

Regardless of the plant, mining is extremely dangerous and is harmful to the workers' health. The men who work the ovens, for example, inhale the dust generated by them. In general, workers carry out their

jobs in substandard labor conditions. Furthermore, while the local hospital has about 400 beds, it lacks medicines and resources to attend to the sick and injured.

Transportation is another problem in Moa. The local means of transport consists of cars pulled by horses and the bici-taxi, a bicycle to which two seats have been added behind the driver. The streets are completely deteriorated, and the town is highly contaminated by dust from the mines.

Finally, products are even more expensive in the currency stores in Moa than in the high priced stores in other localities. Therefore, a dollar in Moa does not have the same exchange value that it does in the rest of the country.

NICKEL PRODUCTION AND INVESTMENT IN MINING PROJECTED TO GROW

In 1996, income from nickel production in Cuba was about US\$416 million and in 1997, \$415 million. Although that revenue decreased to \$263 million in 1998, it was projected to generate more than \$500 million in 1999 and again in 2000. In the latter year, the government officially declared that nickel exports had surpassed sugar exports for the first time in history.

According to a recent biannual mining survey by the Raw Materials Group of Sweden, projections for mining investments in Latin America are auspicious. For the period

2001-09, the company projects that Latin America will attract \$25.8 trillion (30 percent) of total world mining investment of about \$86 trillion. Cuba is expected to have four mining projects. ■

ABOUT THE AUTHOR AND ICEI

Born in Ciudad Habana, Martha Beatriz Roque Cabello was professor of mathematical statistics at the University of Habana for eight years. Ms. Roque joined the dissident movement in 1989. In 1991, she became part of the Cuban Institute of Independent Economists (ICEI), created by Manuel Sánchez Herrero, and later became president. Ms. Roque was imprisoned from July 16, 1997, until May 15, 2000, accused of attempted sedition for writing, with three other dissidents, the document *The Fatherland Belongs to All*.

Founded in 1995, ICEI is an association of some of Cuba's most highly regarded independent economic analysts. In the early 1990s, the Cuban economy was in particularly weak condition, although this was difficult to assess because reliable economic data were scarce. Working with U.S. universities in Miami and Washington and with the Association for Study of the Cuban Economy, a core group of economists in Cuba began to collect and share data and later officially incorporated the ICEI.

The Cuban Economy and Challenges to Growth

by Brian Alexander

Policy Director, Cuba Policy Foundation

The Cuban economy has been impacted by a series of recent blows, leaving the government to face one of its biggest economic challenges since 1994, when the economy began to recover from the collapse of the Soviet bloc. Current setbacks are nothing in comparison to the free fall witnessed in the early 1990s, and the economy did post growth for the eighth consecutive year in 2001. However, performance fell below initial expectations, and the political and economic challenges ahead are unique. These conditions affect ordinary Cubans and demand responses by the Cuban government.

FACTORS AFFLICTING THE ECONOMY

The Cuban economy managed to grow 3 percent in 2001, but fell short of the predicted 5 percent rate. Numerous factors contributed to the weaker than expected performance. In November, Hurricane Michelle battered the island. Particularly hard hit was agricultural land in central Cuba. As many as 45,000 buildings and homes were damaged, telecommunications and other infrastructure were disrupted, and severe damage was inflicted on crops. Cuban Vice President Carlos Lage stated that no hurricane "has provoked economic damage of

[that] magnitude." Sugar, Cuba's leading cash crop, was significantly hurt, with an estimated 54 percent of sugar crops damaged and 10 percent ruined. Although better prices have allowed sugar revenues to improve slightly over 2000 revenues, growth is still below expectations.

Tourism, the nation's primary engine of economic growth, was dramatically hit by the plunge in global tourism levels following the September 11 attacks in the United States. Anecdotal reports from visitors to the island in Fall 2001 indicated a conspicuous absence of tourists. Many of the island's hotels were forced to lay off workers, and some shut down entirely. Individuals dependent on tourists for dollar incomes, such as street vendors, taxi drivers, and other benefactors of the tourist trade, were the most immediately affected. In 2001, the number of foreign tourists totaled approximately 1.8 million, down from the Cuban government's targeted goal of 2 million.

Nickel, another leading source of foreign revenue, achieved a record level of production, improving almost 5 percent over 2000. Unfortunately, declining global nickel prices offset this gain. Despite the growth in production, export revenues decreased 25 percent, down from \$573.6 million in 2000 to \$428.8 million in 2001.

In other signs of a slowed economy, the Cuban peso fell more than 20 percent against the dollar, trading in Havana currency houses at 27 to the dollar in December 2001, compared to 22 to 1 a year earlier. The number of new joint ventures in Cuba is also down—24 joint ventures were formed with foreign companies in 2001 compared with 31 in 2000 and 58 in 1999. This drop may be attributable to the worldwide economic slowdown, but there is also interest among foreign investors in greater reforms in the government-controlled Cuban economy.

UNCERTAINTIES AHEAD

Additional factors could impact Cuba's economy. The announcement of the closure of the Russian spy-base at Lourdes will cost \$200 million in annual revenue, in addition to auxiliary losses caused by the departure of more than 1,000 Russians who worked at the base.

Further, under a five-year deal arranged by Venezuelan President Hugo Chavez and Castro to supply Venezuelan oil at a discount to Cuba, Cuba receives the equivalent of 25 percent savings on oil prices. Based on one estimate, this amounts to a net cash transfer of at least \$2.6 billion to Cuba from Venezuela over the period. Given political in-

stabilities in Venezuela, however, Cuba's oil savings may be at risk since a successor to Chavez is unlikely to maintain the arrangement.

Finally, official Cuban reporting on the economy indicates that the road ahead will be fraught with uncertainties. Castro warned the Cuban people that because of economic difficulties, "sacrifices will come." Other public statements have been unusually forthright in admitting that Cuba is facing greater economic challenges than expected. In addition, a December report on the Cuban economy to the National Assembly conspicuously lacked information for the public, which some Cuba observers noted as a sign that things were not going as well as desired.

RELATED DEVELOPMENTS

The decline in the performance of the Cuban economy should lead Cuba observers to look for several related outcomes, not the least of which is the possibility of further economic reforms. In the early 1990s, to cope with the collapse of the Soviet bloc, which provided 85 percent of Cuba's foreign trade, the Castro government undertook a series of economic reforms. These included opening Cuba to foreign investment and increasing opportunities for self-employment for individual Cubans. After near-total economic free fall and as much as a 50 percent contraction in gross domestic product, the reforms led to re-

stored economic growth in 1994.

By the end of the decade, several of the reforms had been retracted. But as troubled economic conditions again face the island, the Cuban government may need to restore efforts of economic liberalization. These could include reinstating opportunities for self-employment and reducing taxes and licensing fees on independent workers. Paradoxically, should such restrictions be eased, Cuba's economic troubles may in the short term lead to improved opportunities for some Cuban workers.

If the economy continues to stall or retract, the potential for increased political instability and unrest also can emerge. In 1994, following the worst year of the post-Soviet economic retraction, violent street protests took place in Cuba. Such occurrences are rare in Cuba, but they are a signal that economic hardship can lead to unrest. Indeed, most migrants leaving the island in recent years have done so for economic reasons rather than for ideological reasons as was primarily the case in the earlier years of the Castro government.

Countering Political Unrest

The government can counter political disturbances in two ways. One option is to allow a raft of crisis to unfold, as witnessed in 1980 and 1994. A migration crisis could perhaps be encouraged by the government as the regime seeks a means to allow restless inhabitants to flee the

island. Such a crisis could also develop independently and spiral out of control. As the recent events at the Mexican embassy in Havana indicate, some Cubans are willing to take extreme measures in an effort to depart the island.

Another option available to the Cuban government is increased repression, as dissidents and others who criticize the government and economic conditions are harassed, detained, or arrested. Although it is too early to tell if the February jailing of high-profile Cuban dissident and economist Martha Beatriz Roque is part of a larger trend, it may be a sign of things to come should the economy not improve.

Courting Outside Help

Cuba also will continue to court foreign investors. However, some observers think that the countries of Europe and the Americas will not provide the level of foreign investment they did in the mid-1990s. This could make it harder for the Cuban government to find outside help. Greater internal economic reform, which would improve domestic efficiency and increase the attractiveness of Cuba's investment climate to foreigners, may be needed. This would require liberalizing foreign investment laws and reducing political barriers to investment.

THE ROAD TO IMPROVED CUBA-U.S. RELATIONS

In addition, Cuba may seek to improve relations with the United

States. Indeed, this appears to be an emerging trend. Despite some harsh criticism by Cuban officials regarding U.S. military action in Afghanistan, the Cuban government has taken other measures to appear cooperative with U.S. efforts to fight terrorism. This includes Cuban offers of medical supplies and sanitation programs to the United States for the basing of al Qaeda and Taliban detainees at the U.S. Naval Base at Guantánamo Bay. In a statement about the base in January, the Cuban government announced its "willingness to preserve the atmosphere of détente and mutual respect that has prevailed in that area over the past several years." This statement is in stark contrast to the Castro government's historic position on the U.S. outpost, which has been called "illegal" and had been a regular target of the Castro government's anti-American rhetoric.

Cuban government officials have also made statements in recent months in support of improving U.S.-Cuban joint efforts to counter illegal drug trade. Further, an offer was made to settle claims on U.S. properties confiscated by the Cuban government in the early days of the Castro regime.

Buying U.S. Farm Goods

An even more dramatic sign of outreach occurred in late 2001 when the Castro government reversed a previous position and allowed the first sale of U.S. farm goods to Cuba

in four decades. The sales, permitted under a 2000 U.S. law that excludes agricultural products from the embargo, will total an estimated \$30 million. Initially, Castro said that his government would not buy "a single grain of rice" because of finance restrictions in the law. The surprising turnaround was at first justified by the Cuban government as a one-time purchase to replenish supplies lost because of Hurricane Michelle. Since then, the Castro regime has indicated even greater willingness to make more purchases, on the condition that the United States take steps to reduce the barriers to such sales. In early March, an additional \$30 million-plus in purchases had indeed been announced.

The sales of U.S. farm goods to Cuba will provide some net savings for the Cuban economy, particularly in the shipping costs for farm goods otherwise purchased from Asia. However, limited purchases from the United States alone will not make a significant difference in Cuba's economic performance. Nevertheless, continued interest by the Cuban government in ending the embargo indicates its perception that the Cuban economy would improve through greater trade ties with the United States.

Castro's "Charm Offensive"

Castro's sudden openness has been characterized by Bush administration officials as a "charm offen-

sive" meant to appeal to members of the U.S. Congress who favor easing trade and travel restrictions or ending the U.S. embargo altogether. President Bush has stated that until Cuba's human rights record improves, he will "oppose any attempt to weaken sanctions against the Castro regime." In February, senior U.S. diplomat in Havana, Vicki Huddleston, said that the U.S.-Cuban relationship "is not improving because we are still concerned about human rights, democracy, and the free flow of information."

Within Congress, there is indeed support for greater ties with Cuba. Votes in the House and Senate during the 106th and 107th Congresses indicate a growing sentiment in favor of easing trade and travel restrictions. This trend began well before Castro's so-called charm offensive, but congressional observers note that if Castro were to take any precipitous step, efforts in Congress to ease the embargo could be curtailed.

The course of the Cuba economy is hard to forecast, dependent as it is on political decisions in Washington and Havana that are never easy to predict. Nevertheless, it is a safe bet that recent weaknesses in the Cuban economy will be a significant factor in any outcome. ■

Members of the Cuba Working Group

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Cuban Mining Facts

■ In 2001, the government shut down the Mina Grande de El Cobre copper mine in the Santiago de Cuba province because of low copper prices and declining reserves. The move ended 471 years of copper mining in Cuba.

■ About 37 percent of the world's nickel reserves are in Cuba, yielding about 800 million tons of deposits. Cuba has the largest nickel reserves in the world and the second largest cobalt reserves.

■ Nickel production reached a record level of 46,000 tons in 1989 and then plummeted in the early 1990s as a result of the loss of support from the collapsed Soviet Union. By 1994, production had fallen to a low of 26,000 tons.

■ In recent years, the industry has received an influx of about US\$500 million in foreign investment. In 2000, Cuba produced a record high of 72,000 tons of nickel, placing the country sixth in world production. In 2001, it set another production record, and exports rose 5 percent over the previous year. As prices tumbled, however, overall export revenues fell.

Sources: *CubaNews*, Aug. 2001 (Vol. 9, No. 8); and *Business Guide to Cuba* (*CubaNews*, 2000).

CUBA TODAY

March 2002

Vol. 2, No. 4

Published by the National Policy Association.

This newsletter is made possible through support provided by the Bureau for Latin America and the Caribbean and the U.S. Agency for International Development. The views expressed by the authors are their own and do not necessarily represent those of USAID, NPA, or the member organizations of the Cuba Working Group.

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ADENTRO . . .

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CUBA TODAY presenta el último número en una serie de cuatro partes en que se explora la inversión extranjera y los derechos de los trabajadores en Cuba. Los números anteriores en la serie examinaron la agricultura, el turismo, y las telecomunicaciones. Este número se enfoca en la industria minera, la cual ha tenido una historia larga en la isla de explorar y extraer recursos naturales como el cobre, el oro, y el níquel.

CUBA TODAY sirve como un foro para el diálogo acerca de las interacciones entre sindicatos y empresas en Cuba. Los siguientes artículos ofrecen una opinión sobre el papel que juega en

general la industria minera en la economía cubana, debilitada por la recesión mundial y las repercusiones del 11 de septiembre. Los artículos explican la importancia de las relaciones entre Estados Unidos y Cuba para el futuro de la economía de la isla. También se enfocan en cómo la economía en general y la industria minera en particular afectan la vida de cada trabajador, al notar que trabajar en una mina operada como una empresa conjunto puede ser significativamente diferente de trabajar en una mina propiedad del gobierno.

La inversión extranjera y la industria minera en Cuba

por Martha Beatriz Roque

Economista.

Instituto Cubano de Economistas Independientes

Las zonas más importantes de minerales metálicos de Cuba se encuentran en la cadena de montañas de la Sierra Maestra al oriente, en la provincia de Holguín, alrededor de las Bahías de Moa y Nipe, y en la provincia de Pinar del Río. Cuba tiene cerca de 800 millones de toneladas de depósitos de níquel que producen más de 19 millones de toneladas de níquel puro por año. Las reservas conocidas existen en las provincias de Camagüey y de Pinar del Río. La única planta de sulfato en Cuba en Pinar del Río. Se encuentran cantidades modestas del cromo en la

parte oriental de la isla. Caolín y mármol se extraen de La Isla de la Juventud.

El sector minero no ha sido una prioridad estatal por muchos años. Sin embargo, la minería del níquel se convirtió recientemente en una excepción con la creación de empresas conjuntas por medio de capital extranjero. La actividad minera es gobernada por el Ministerio de Industria Básica. La compañía Geo Minera, S.A., cuya especialidad es prospectar y explorar el riesgo, está a cargo de los negocios con socios extranjeros.

EL CIERRE DE LAS MINAS EMPEORÓ LA ECONOMÍA DE LAS ZONAS AFECTADAS

Algunas minas importantes se han cerrado, incluso las minas de cobre de Matahambre en Pinar del Río y la Mina Grande de El Cobre en Santiago de Cuba y las minas de oro en La Isla de la Juventud y en Pinar del Río. El cierre de las minas y los centros de trabajo asociados ha empeorado la situación económica en estas zonas, especialmente para los residentes de Matahambre, un municipio considerado antes "el bastión económico de

Pinar del Río" principalmente a causa de sus reservas mineras. Pero el agotamiento prematuro de los depósitos del cobre por la explotación y el uso de tecnologías caídas en desuso paralizó las minas.

Como lo explicó un residente de Matahambre: "Nosotros no tenemos nada para vivir. Los más jóvenes tienen dos opciones: merodear alrededor del pueblo o ir a otros municipios. Sólo nos dejan con promesas rotas y con el aire, la tierra y el mar contaminado por el desecho de las minas que el gobierno explotó hasta que ya no pudo más."

LOS BENEFICIOS PEQUEÑOS PARA ALGUNOS MINEROS

La producción del níquel se centra en el municipio de Moa en la provincia de Holguín. Dos compañías cubanas se dedican a la producción de este mineral: Moa Níquel, S.A., que trabaja con la empresa canadiense Sherritt Internacional, y la planta "Ernesto Ché Guevara," que no tiene un socio extranjero.

Existe una diferencia considerable en los salarios y en los beneficios de los trabajadores en las dos plantas. Los trabajadores de Moa Níquel ganan un porcentaje (del 7 al 15 por ciento) de sus salarios en dólares, basado en la producción mensual. Sus salarios se determinan según la escala de sueldos nacional. Por ejemplo, un ayudante de cualquier posición gana 220 pesos; un operario en una planta metalúrgica, 260 pesos; un ingeniero, dependiendo de su especialidad, entre 375 y 500 pesos; y un operario de tableros de control, 340 pesos. Esto significa que el salario mensual de un trabajador será entre 15 y 35 dólares al utilizar el porcentaje más pequeño y entre 33 y 57 dólares al utilizar el porcentaje más alto. El pago se hace descontando los dólares del salario basado en el cambio "oficial" de un

peso por un dólar. Por lo tanto, si un ingeniero gana 375 pesos y una prima de 35 dólares, su salario en la moneda nacional será 340 pesos. En cambio, Sherritt paga los salarios designados por el estado al gobierno cubano en dólares. Esto asegura al negocio ingresos netos de cada salario de los trabajadores además de cualquier ganancia que tenga.

A los trabajadores de Moa Níquel se les da beneficios pequeños para mejorar la moral. Ellos reciben, cada dos meses, una barra de jabón para lavar y una para bañarse. Al final del año, se les da una bolsa que contiene otros artículos personales de higiene. También reciben anualmente un par de botas y un cambio de ropa.

Además, los trabajadores pueden comprar a precios bajos algunos alimentos y bebidas que son normalmente difíciles de obtener. Una botella de cerveza, por ejemplo, no es para ser vendida en moneda nacional y cuesta 5 pesos. En el mercado de moneda, una botella cuesta 0.60 centavos de dólar, el equivalente a cerca de 16 pesos (al cambio verdadero de 26 pesos por dólar).

Sin embargo, se requiere que los trabajadores den un dólar de su prima mensual para los beneficios de salud, lo que el gobierno llama un "donativo voluntario." El sindicato demanda también dólares de los trabajadores cuando tiene un problema o para realizar varias actividades políticas. Los trabajadores no pueden rehusar pagar porque serían despedidos inmediatamente de sus trabajos, y hay otros esperando a llenar sus posiciones para obtener beneficios pequeños.

Para su parte, los trabajadores en la planta "Ernesto Ché Guevara" no reciben ninguna prima material. Sus bajos ingresos han hecho su vida extremadamente difícil. Ellos sufren de hambre y pobreza y tienen

acceso a las instituciones sociales.

Sin importar de qué planta trate, la minería es extremadamente peligrosa y es perjudicial para la salud de los trabajadores. Los hombres que trabajan con los hornos, por ejemplo, inhalan el polvo que sale de ellos. En general, los trabajadores llevan a cabo su tarea en condiciones de trabajo inferiores. Además, mientras el hospital local tiene cerca de 400 camas, carece de medicamentos y de recursos para ocuparse de los enfermos y heridos.

El transporte es otro problema en Moa. Los medios de transporte local se componen de coches estirados por caballos y el bici-taxi, una bicicleta en la que se han agregado dos asientos detrás del conductor. Las calles están totalmente deterioradas, y el pueblo está muy contaminado por el polvo de las minas.

Finalmente, los productos son aún más costosos en las tiendas que venden en dólares en Moa que en las tiendas más caras en otras localidades. Por lo tanto, un dólar en Moa no tiene el mismo valor de cambio que tiene en el resto del país.

SE ANTICIPA QUE LA PRODUCCIÓN DE NÍQUEL Y LA INVERSIÓN EN EL SECTOR MINERO AUMENTEN

En 1996, los ingresos de la producción de níquel en Cuba fueron cerca de 416 millones de dólares, y en 1997, de 415 millones de dólares. Aunque en 1998 esa renta disminuyó a 263 millones de dólares, se esperaba que generara más de 500 millones de dólares en 1999 y otra vez en 2000. En 2000, el gobierno declaró oficialmente que esas exportaciones de níquel habían sobrepasado las exportaciones de azúcar por primera vez en la historia.

Según una inspección semestral reciente de la minería por el Grupo de

(Continuado en página 4)

El crecimiento de la industria minera de Cuba

por Gerardo González Núñez

Profesor de Economía.
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Cuba está en una región que tiene una base geológica compleja compuesta de estructuras de origen, composición, y edad geológica diversos. Por lo tanto, Cuba tiene una variedad extensa de minerales, incluso cobre, zinc, níquel, cobalto, hierro, oro, bauxita, cuarzo, zeolita, caolín, y fosfatos. Pero la importancia de la minería cubana proviene de la abundancia en el país del níquel y del cobalto asociado. Se calcula que aproximadamente 37 por ciento de las reservas mundiales de níquel están en Cuba, principalmente en la región oriental. La isla está clasificada como primera en reservas mundiales de níquel y segundo en reservas mundiales de cobalto.

LAS PLANTAS DE PROCESAMIENTO DE NÍQUEL Y COBALTO DE CUBA

La primera planta de procesamiento de níquel y cobalto (llamada hoy en día René Ramos Latour) comenzó a funcionar en 1943 en Nicaro, en la parte oriental del país. Esta planta, que utilizaba tecnología norteamericana, se abrió principalmente en respuesta a la alta demanda de acero en Estados Unidos durante la Segunda Guerra Mundial. Al final de la guerra paralizó la industria minera cubana, justo cuando el país se había convertido en el cuarto productor más grande de níquel al nivel mundial. Sin embargo, el conflicto armado en Corea y la necesidad de materias primas estratégicas en Estados Unidos crearon demandas nuevas, y la planta

comenzó a operar otra vez en 1952, produciendo hasta 22,700 toneladas al año.

En 1960, una segunda planta se puso a funcionar en Moa, también en la parte oriental de Cuba. La planta "Pedro Soto Alba" usa una tecnología única para procesar níquel y cobalto, y es eficiente en energía y metalúrgicamente. Esta planta tiene una capacidad anual de 24,000 toneladas. La alta eficiencia de ambas plantas, así como también la tecnología de procesamiento novedosa de la planta de Moa, le han dado a Cuba una ventaja competitiva muy grande sobre los productores de níquel al nivel internacional.

EL ASCENSO Y LA CAÍDA DE LA PRODUCCIÓN DE NÍQUEL

La inversión de Cuba en la extracción de níquel y cobalto se intensificó cuando la isla creó enlaces con la Unión Soviética. En 1972, los dos países firmaron un acuerdo para modernizar las plantas de Nicaro y de Moa y para construir una tercera planta en la región de Punta Gorda, con una capacidad anual planeada de 30,000 toneladas. La planta nueva, Ernesto Ché Guevara, comenzó a funcionar en 1986. Estas inversiones tuvieron como resultado un aumento sostenido en la producción del níquel, la cual alcanzó un nivel récord de 46,000 toneladas en 1989.

Hasta el fin de los años ochenta, los países europeos del bloque socialista garantizaron un mercado de alto precio para el níquel cubano y proporcionaron al mismo tiempo la

ayuda necesaria para el funcionamiento de las tres plantas. La desintegración del bloque socialista fue, por lo tanto, un golpe duro para el sector minero. A principios de los años noventa, la producción se redujo, y para 1994, la producción total había bajado a apenas 26,000 toneladas. Los bajos niveles de uso significaban altos costos de operación. Con la escasez de combustible y otros suministros, la industria se infracapitalizó rápidamente y se vio ante la amenaza de un cierre total.

PARA REVIVIR LA INDUSTRIA MINERA

El gobierno cubano hizo una prioridad alta la recuperación de la producción de níquel y cobalto, y con ese fin buscó inversión extranjera. El primer paso del gobierno fue adaptar el marco legal para estimular la inversión extranjera en el sector minero y regular su operación. Bajo la nueva ley de la minería decretada en 1994, el sector minero se declaró altamente estratégico. Se le dio al estado el control total de todos los depósitos mineros, incluso la provisión de concesiones a inversionistas extranjeros para la explotación de los depósitos. La duración de las concesiones para la investigación geológica es de tres años, y para la explotación y procesamiento, 25 años, pero se pueden extender.

En 1994, la Unión de Níquel de Cuba y Sherritt Internacional de Canadá formaron una empresa conjunta. Los bienes del negocio

nuevo, Moa Níquel, S.A., incluyen la planta de Moa, una refinería en el Fort Saskatchewan en Alberta, Canadá, y una corporación de mercadotecnia en las Bahamas. Las concesiones mineras del gobierno cubano para esta empresa conjunta totalizaron 60 millones de toneladas de mineral de níquel, lo cual aseguró materias primas para la operación de la planta de Moa por 25 años.

Además, el estado otorgó 15,000 hectáreas con reservas suficientes por otros 25 años.

La empresa conjunta ha introducido mejoras tecnológicas que han bajado los costos de producción y han aumentado la producción en la planta de Moa. Las plantas de Nicaro y de Punta Gorda se han beneficiado de la empresa conjunta porque ellas también han incorporado mejoras en

la tecnología, la administración, y en la capacitación de la fuerza laboral.

Estos esfuerzos han revivido la producción y la exportación de níquel de Cuba. En el año 2000, la producción alcanzó un récord de 72,000 toneladas, haciendo de Cuba el sexto país en la producción mundial de níquel. Al mismo tiempo, la isla recuperó su mercado internacional, al exportar níquel a más de 30 países.

La minería de níquel no es el único aspecto de la industria que se ha beneficiado de la inversión extranjera. Los inversionistas extranjeros también está evaluando, prospeccionando, y extrayendo cobre, oro, plata, cromo, magnesio, plomo, y zinc. Los acuerdos entre el estado y las compañías extranjeras son contratos basados en el riesgo que incluyen la comercialización de los minerales.

Los contratos que han mostrado resultados substanciales incluyen a Holmer Gold Mines, que descubrió oro, cobre, plomo, y zinc en la provincia de Pinar del Río; Caribgold Resources de Canadá, que encontró oro en la provincia de Camagüey; y Miramar Mining Company, que opera una mina oro en La Isla de la Juventud. Estos contratos han traído avances tecnológicos significativos que han permitido la exploración y la extracción de minerales previamente inaccesible a causa de las técnicas usadas en la minería cubana.

Se han establecido 55 asociaciones en el sector minero con capital extranjero. Por lo tanto, el sector minero es el tercero más grande en la inversión extranjera. ■

(Roque continuación de página 2)

Materias Primas de Suecia, los pronósticos para las inversiones en el sector minero en Latinoamérica son prometedores. Para el período de 2001-09, la compañía espera que Latinoamérica atañerá 25.8 billones de dólares (el 30 por ciento) de la inversión minera mundial total, la cual es cerca de 86 billones de dólares. Se anticipa que Cuba tenga cuatro proyectos mineros. ■

ACERCA DE LA AUTORA Y DEL ICEI

Nacida en la ciudad de La Habana, Martha Beatriz Roque Cabello fue profesora de estadística matemática en la Universidad de La Habana durante ocho años. La Sra. Roque se unió al movimiento de disidentes en 1989. En 1991, se incorporó al Instituto Cubano de Economistas Independientes (ICEI), creado por Manuel Sánchez Herrero,

y más tarde llegó a ser presidente. La Sra. Roque fue encarcelada del 16 de julio de 1997 hasta el 15 mayo de 2000, acusada de intento de sedición por escribir, con otros tres disidentes, el documento *La Patria es de Todos*.

Fundado en 1995, el ICEI es una asociación de algunos de los analistas económicos independientes muy renombrados en Cuba. A principios de los años noventa, la economía cubana estaba en una condición particularmente débil, aunque esto fue difícil de valorar porque los datos económicos fidedignos eran escasos. Al trabajar con universidades de EE.UU. En Miami y en Washington y con la Asociación para el Estudio de la Economía Cubana, un grupo central de economistas en Cuba comenzó a reunirse y compartir datos y luego se incorporó oficialmente como el ICEI.

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 Prince of Wales Business Leaders Forum
 United Food and Commercial Workers International Union (UFCW)
 U.S. Chamber of Commerce
 U.S. Cuba Business Council

La economía cubana y los desafíos para el crecimiento

por *Brian Alexander*

*Director de Política,
Cuba Policy Foundation*

La economía cubana ha recibido una serie de golpes recientes, y el gobierno ha tenido que encarar uno de los desafíos económicos más grandes desde 1994, cuando la economía comenzó a recuperarse del desplome del bloque soviético. Los contratiempos actuales no son nada comparados al colapso económico presenciado a principios de los noventa. La economía sí registró un crecimiento posterior por el octavo año consecutivo en 2001. Sin embargo, el desempeño fue menor de lo que se anticipaba inicialmente, y los desafíos políticos y económicos en el futuro son extraordinarios. Estas condiciones afectan al cubano común y requieren respuestas por parte del gobierno cubano.

LOS FACTORES QUE AFLIGEN A LA ECONOMÍA

La economía cubana logró crecer el 3 por ciento en 2001, pero no alcanzó el 5 por ciento que se había predicho. Numerosos factores contribuyeron al desempeño más pobre de lo esperado. En noviembre, el Huracán Michelle azotó a la isla. La tierra agrícola en la parte central de Cuba se vio particularmente afectada. Cerca de 45,000 edificios y viviendas se vieron perjudicados, las telecomunicaciones y otra infraestructura fueron interrumpidas, y las cosechas sufrieron daños. El vicepresidente cubano Carlos Lage Dávila expresó que ningún huracán "ha provocado un daño económico de [esa] magnitud." El azúcar, el cultivo comercializable de Cuba, perdió considerablemente, con un cálculo

aproximado del 54 por ciento de las cosechas de azúcar dañadas y el 10 por ciento arruinado. Aunque mejores precios hayan permitido que las ganancias del azúcar hayan mejorado levemente sobre las del año 2000, el crecimiento está aún por debajo de lo esperado.

El turismo, motor primario del desarrollo económico de la nación, se vio dramáticamente afectado por el desplome en los niveles globales de turismo después de los ataques el 11 de septiembre en Estados Unidos. Los informes anecdóticos de visitantes a la isla en el otoño de 2001 indicaron una ausencia visible de turistas. Muchos de los hoteles de la isla se vieron forzados a despedir trabajadores, y algunos cerraron completamente. Las personas que dependen de los dólares de los turistas, como vendedores en la calle, conductores de taxi, y otros benefactores del comercio del turismo, fueron los más afectados inmediatamente. En 2001, el número de turistas extranjeros totalizó aproximadamente 1.8 millones, menos de la meta de 2 millones que tenía como objetivo el gobierno cubano.

El níquel, otra fuente importante de ingresos extranjeros, logró un nivel récord de producción, ya que mejoró casi el 5 por ciento más que en el año 2000. Desgraciadamente, el precio mundial del níquel que continúa bajando contrarresta la ganancia. A pesar del crecimiento en la producción, los ingresos de exportación disminuyeron el 25 por ciento, de 573.6 millones de dólares en 2000 a 428.8 millones de dólares en 2001.

Como otros indicios del freno de

la economía, el peso cubano cayó más del 20 por ciento en comparación al dólar, comerciando en las casas de cambio en La Habana a 27 pesos por dólar en diciembre de 2001, comparado a 22 pesos un año antes. El número de empresas conjuntas nuevas en Cuba también disminuyó: se formaron 24 empresas conjuntas con compañías extranjeras en 2001 a comparación de 31 en 2000 y 58 en 1999. Esta disminución se puede atribuir a la ralentización económica mundial, pero también hay interés entre los inversionistas extranjeros en reformas más grandes en la economía cubana controlada por el gobierno.

LAS INCERTIDUMBRES DEL FUTURO

Otros factores podrían tener un impacto en la economía cubana. El anuncio del cierre de la base espía rusa en Lourdes costará 200 millones de dólares de ingresos anuales, además de pérdidas auxiliares causadas por la salida de más de 1,000 rusos que trabajaban en la base.

Además, según un trato de cinco años concertado por el presidente venezolano Hugo Chávez y Castro, Venezuela le suministra a Cuba petróleo con un descuento, y Cuba recibe el equivalente del 25 por ciento de ahorros en los precios del petróleo. Basado en un cálculo aproximado, esto asciende a una transferencia de dinero en efectivo neto de por lo menos 2.6 millones de dólares a Cuba de Venezuela durante ese periodo. Sin embargo, dada la inestabilidad política en Venezuela, los ahorros de Cuba en aceite pueden estar en riesgo

debido a que es dudable que el sucesor de Chávez mantenga el trato.

Por último, los informes cubanos oficiales acerca de la economía indican que el camino está lleno de incertidumbres. Castro advirtió a la gente cubana que debido a las dificultades económicas, "se tendrán que hacer sacrificios." Otras declaraciones públicas han sido excepcionalmente francas al admitir que Cuba enfrenta desafíos económicos más grandes de lo anticipado. Además, un informe en diciembre acerca de la economía cubana presentado a la Asamblea Nacional careció evidentemente información para el público, lo que algunos observadores de Cuba notaron como una señal de que las cosas no van tan bien como se desea.

ACONTECIMIENTOS RELACIONADOS

La decadencia en el desempeño de la economía cubana debe llevar a los observadores de Cuba a buscar varios resultados relacionados, uno de los cuales es nada menos la posibilidad de más reformas económicas. A comienzos de los años noventa, para enfrentarse al desplome del bloque soviético, el cual proporcionaba el 85 por ciento del comercio exterior de Cuba, el gobierno de Castro emprendió una serie de reformas económicas. Estas incluían abrir a Cuba a la inversión extranjera y aumentar las oportunidades de empleo para los trabajadores autónomos para los cubanos. Después del colapso económico casi total y tanto como un 50 por ciento de reducción en el producto interno bruto, las reformas llevaron a restaurar el crecimiento económico en 1994.

Para el fin de la década, varias de las reformas habían sido retractadas.

Pero como la situación económica de la isla pasa por momentos difíciles otra vez, el gobierno cubano podría tener que renovar los esfuerzos de liberalización económica. Éstos podrían incluir reintegrar las oportunidades para trabajar por propia cuenta y reducir los impuestos y los costos de las licencias para los trabajadores autónomos. Paradójicamente, si tales restricciones son relajadas, es posible que los problemas económicos de Cuba a corto plazo lleven a mejores oportunidades para algunos trabajadores cubanos.

Si la economía continúa paralizada o retraída, puede también surgir el potencial para mayor inestabilidad y disturbios políticos. En 1994, después del peor año de la retracción económica los post-soviéticos, hubo manifestaciones violentas en las calles cubanas. Tales ocurrencias son raras en Cuba, pero son una señal de que las dificultades económicas pueden conllevar al descontento social. En efecto, la mayoría de los emigrantes que se han ido de la isla en los años recientes lo han hecho por razones económicas en vez de razones ideológicas como primariamente era el caso en los primeros años del gobierno de Castro.

Contrarrestando la inquietud política

El gobierno puede contrarrestar los disturbios políticos de dos maneras. Una opción es permitir que se despliegue una crisis de balseros, como se presenció en 1980 y 1994. Una crisis de migración quizás podría ser alentada por el gobierno a medida que el régimen busca los medios para permitir que los habitantes descontentos huyan de la isla. Tal crisis se podría desarrollar también independientemente y se escale fuera

de control. Como lo indican los recientes acontecimientos en la embajada mexicana en La Habana, algunos cubanos están dispuestos a tomar medidas extremas para salir de la isla.

Otra opción disponible para el gobierno cubano es aumentar la represión, a medida que se acosa, detiene, o arresta a los disidentes y a otros que critican al gobierno y las condiciones económicas. Aunque es demasiado temprano para poder decir si el encarcelamiento en febrero de la destacada disidente y economista cubana Martha Beatriz Roque forma parte de una tendencia más grande, puede ser un signo de lo que vendrá si la economía no mejora.

Solicitando ayuda exterior

Cuba también continuará solicitando inversionistas extranjeros. Sin embargo, algunos observadores piensan que los países de Europa y del continente americano no proporcionarán el nivel de inversión extranjera que ellos hicieron a mediados de los 1990. Esto podría hacer más difícil para el gobierno cubano encontrar ayuda exterior. Una mayor reforma económica interna, que mejoraría la eficiencia doméstica y aumentaría el atractivo del clima de inversión de Cuba a los extranjeros, puede ser necesaria. Esto requeriría liberalizar las leyes de inversión extranjera y reducir las barreras políticas para la inversión.

EL CAMINO HACIA LA MEJORA DE LAS RELACIONES ENTRE CUBA Y EE.UU.

Además, puede que Cuba procure mejorar las relaciones con Estados Unidos. En efecto, esto parece ser una tendencia incipiente. A pesar de alguna crítica dura por oficiales

cubanos con respecto a la acción militar de EE.UU. en Afganistán, el gobierno cubano ha tomado otras medidas para parecer cooperativo con los esfuerzos de EE.UU. para luchar contra el terrorismo. Esto incluye las ofertas cubanas a Estados Unidos de suministros médicos y de programas de saneamiento para mantener a los detenidos de al Qaeda y Talibán en la base naval de EE.UU. en la Bahía de Guantánamo. En una declaración acerca de la base en enero, el gobierno cubano anunció su "consentimiento para preservar una atmósfera de distensión y respeto mutuo que ha prevalecido en esa área durante muchos años pasados." Esta declaración está en total contraste a la postura histórica del gobierno de Castro sobre el lugar de EE.UU. que se ha llamado "ilegal" y había sido un blanco regular de la retórica antiamericana del gobierno de Castro.

Los funcionarios del gobierno cubano también han hecho declaraciones en meses recientes a favor de mejorar los esfuerzos conjuntos de EE.UU. y de Cuba para contrarrestar el comercio ilegal de la droga. Además, se hizo una oferta para resolver los reclamos sobre las propiedades de EE.UU. confiscadas por el gobierno cubano durante los primeros días del régimen de Castro.

Compra de productos agrícolas de EE.UU.

Una señal aún más dramática de la política del acercamiento ocurrió a fines de 2001 cuando el gobierno de Castro cambió radicalmente una posición previa y permitió la primera compra de productos agrícolas de EE.UU. después de cuatro décadas. Las ventas, permitidas según una ley de EE.UU. de 2000 que excluye a los productos agrícolas del embargo, totalizarán un cálculo estimado de 30

millones de dólares. Al principio, Castro dijo que su gobierno no compraría "un solo grano de arroz" a causa de las restricciones financieras en la ley. El sorprendente cambio fue justificado al principio por el gobierno cubano como una compra de una sola vez para abastecer de nuevo los suministros perdidos a causa del Huracán Michelle. Desde entonces, el régimen de Castro ha señalado que está dispuesto a comprar aún más, con la condición de que Estados Unidos tome los pasos para reducir las barreras a tales ventas. En efecto, a comienzos de marzo se anunciaron compras adicionales de unos 30 millones de dólares.

La venta de productos agrícolas de EE.UU. a Cuba proporcionará algunos ahorros netos para la economía cubana, particularmente en los costos de embarque para los productos agrícolas que se hubieran comprado en Asia. Sin embargo, compras limitadas de sólo Estados Unidos no tendrán una diferencia significativa en el funcionamiento económico de Cuba. No obstante, el interés continuo por el gobierno cubano de finalizar el embargo refleja su percepción de que la economía cubana mejoraría al tener mayores vínculos comerciales con Estados Unidos.

La "estrategia embelesadora" de Castro

La apertura repentina de Castro ha sido caracterizada por funcionarios de la administración de Bush como una "estrategia embelesadora" con la intención de atraer a los miembros del congreso de Estados Unidos que favorecen facilitar el comercio y las restricciones de viaje o acabar con el embargo de EE.UU. totalmente. El presidente Bush expresó que hasta

que la trayectoria de los derechos humanos de Cuba no mejore, él "se opondrá a cualquier tentativa para debilitar las sanciones contra el régimen de Castro." En febrero, la diplomática principal de EE.UU. en La Habana, Vicki Huddleston, dijo que la relación entre Estados Unidos y Cuba "no está mejorando porque aún estamos preocupados acerca de los derechos humanos, la democracia, y el flujo libre de información."

Dentro del Congreso verdaderamente existe apoyo para crear vínculos más estrechos con Cuba. Los votos en la Cámara de Representantes y el Senado durante los Congresos 106 y 107 indican un sentimiento creciente a favor de disminuir las restricciones de comerciales y de viaje. Esta tendencia comenzó mucho antes de la llamada ofensiva embelesadora de Castro, pero observadores del congreso notan que si Castro tomara cualquier paso precipitado, los esfuerzos en el Congreso para relajar el embargo se podrían reducir.

El curso de la economía cubana es difícil de pronosticar, por lo dependiente que es de las decisiones políticas en Washington y La Habana que nunca son fáciles de predecir. No obstante, es una apuesta segura que las recientes debilidades en la economía cubana serán un factor significativo en cualquier resultado. ●

Información acerca de la industria minera en Cuba

■ En 2001, el gobierno cerró la Mina Grande de El Cobre en la provincia de Santiago de Cuba a causa del bajo valor del cobre y la baja en las reservas. El cierre finalizó 471 años de minería de cobre en Cuba.

■ Cerca del 37 por ciento de las reservas del níquel del mundo están en Cuba, que producen cerca de 800 millones de toneladas de depósitos. Cuba tiene las reservas más grandes de níquel en el mundo y las segundas reservas más grandes de cobalto.

■ La producción del níquel alcanzó un nivel récord de 46,000 toneladas en 1989 y después se desplomó a principios de los años 1990, como resultado de la pérdida de apoyo de la ahora colapsada Unión Soviética. Para 1994, la producción había caído a un nivel bajo de 26,000 toneladas.

■ En años recientes, la industria ha recibido una entrada de cerca de 500 millones de dólares en inversión extranjera. En 2000, Cuba produjo un récord de 72,000 toneladas del níquel, colocando al país como el sexto en la producción mundial. En 2001, fijó otro récord de producción, y las exportaciones subieron el 5 por ciento más que el año anterior. Sin embargo, a medida que los precios bajaron, los ingresos por la exportación en general se redujeron.

Fuentes: *CubaNews*, agosto de 2001 (Vol. 9, No. 8); y *La Guía del Negocio a Cuba* (*CubaNews*, 2000).

CUBA TODAY

marzo del 2002

Vol. 2, No. 4

Publicado por la National Policy Association

Este boletín informativo ha sido posible con el apoyo del Bureau for Latin America and the Caribbean, Agencia para el Desarrollo Internacional. Los puntos de vista expresados son los de los autores y no representan necesariamente los de la USAID, NPA, o las organizaciones miembros del Grupo de Trabajo sobre Cuba.

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CUBA TODAY

Best Business Practices and Labor Rights

June 2002

Vol. 3, No. 1

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In this issue, *CUBA TODAY* explores a deceptively simple question: How can foreign investors promote the rights of workers in Cuba? Two well-known Cuba experts provide their perspectives, which reflect the continuing conversation in U.S. policy circles about the best way to strengthen these rights. A third commentator zeroes in on one of the most prominent countries investing in Cuba—Spain. He explains the special historical relationship between the two nations, analyzing the interplay between domestic Spanish politics, Spanish investment policy toward

Cuba, and the implications for Cuban laborers.

CUBA TODAY serves as a forum for dialogue on the interactions between labor and business in Cuba. The following articles on best business practices highlight the relevance of these practices for workers in Cuba. While the views presented differ with respect to strategy, all of the authors underline the influence of foreign investors on worker rights and the need for sustained efforts to promote those rights.

Foreign Investors in Cuba: It's Time to Do the Right Thing

by Ambassador Dennis K. Hays

Executive Vice President, Cuban American National Foundation

Foreign investment is often a positive force in a developing country. A foreign investor brings needed capital and technology that can generate employment and wealth and improve the lives of local citizens. But what if a foreign corporation is asked to violate the rights of its workers as a condition of doing business? What if it is clear that investment fuels a repressive regime and relieves the need for political and economic reform? Under these conditions, should an investor stay, go, or try to change the system?

DEFENDING ABUSED WORKERS

A healthy debate is going on worldwide about what constitutes a

living wage and what are appropriate standards for health and safety. There is no debate, however, about one crucial point—neither corporations nor governments have the right to systematically abuse workers. Practices such as forced labor and racial discrimination in hiring have few defenders these days.

Corporations that choose to violate labor and human rights are trading short-term profits for a long-term liability. Aggrieved citizens across the globe are taking companies that collude with corrupt and dictatorial rulers to court, and they are winning. No longer can foreign corporations escape responsibility for their actions

by claiming they were in compliance with local law, knowing full and well that such laws were in violation of international standards.

Moreover, companies place themselves at risk not just in the courts of law, but also in the court of public opinion when they abuse workers. Just ask Nike about its experience in Vietnam. Nike came close to losing its most precious comparative advantage—its cache—because of the treatment of workers subcontracted to make its shoes. Having learned a painful lesson, today Nike stands as a champion of good labor practice. Its most recent annual report flatly states: "Factories that refuse to follow these steps [safeguard-

ing worker conditions] will lose our business."

Ideally, individuals, corporations, and nations would decide on their own free will to respect basic human and worker rights. The time will come when doing the right thing and making the smart business decision will be the same. But that time has not yet arrived.

THE PROBLEMS TODAY IN CUBA

There are countries in the world poorer than Cuba, but no nation this side of North Korea works as hard to stifle individual initiative or to minimize the meaningful participation of its citizens in business activity. Foreign corporations that want to do business in Cuba do so on Castro's terms or not at all. This makes foreign investors complicit in a host of unsavory business practices. Independent labor and human rights groups ranging from Amnesty International to the International Confederation of Free Trade Unions have exhaustively documented these abuses. Although Cuba has long been a signatory to key UN International Labor Organization (ILO) conventions, Castro's regime ignores practically all of them. In its comprehensive report, *The European Union and Cuba, Solidarity or Complicity?*, the Dutch religious organization Pax Christi recently detailed the following ILO and human rights violations:¹

- Cuban workers do not have the right to choose their place of employment, the nature of such employment, or the wages to be received for said work. **Violation of the fundamental ILO Convention No. 111.**

1. Pax Christi, *The European Union and Cuba, Solidarity or Complicity?* (Utrecht, The Netherlands, September 2000).

2. The annex of the report documents these cases.

- Cuban workers do not have the right to form labor unions of their own choosing, to strike, to ask for better working conditions, to criticize any work rules, or even to complain about their supervisors. Attempts by workers to organize independently are illegal, and activists are subject to persecution, harassment, and expulsion from work. **Violation of Convention No. 87.²**

- Cuban workers and foreign employers are prohibited from freely negotiating wages. Strictly speaking, foreign employers in Cuba do not pay wages to their employees at all, but are compelled to make payments to government agencies. Workers are forced to accept salaries far below subsistence level. Under this practice, workers receive less than 10 percent of the amount that the companies pay the agencies. **Violation of Convention No. 95.**

- The vast majority of Cuban workers do not have the right to open their own businesses and can employ no more than four people, all of whom have to be relatives.

- Cuban workers are encouraged to spy on their neighbors and to report any activity that the Party feels is against its directives. It is common practice to put militant supporters or "spies" in each workplace, including those of foreign companies, to deal with troublesome coworkers. **Violation of Convention No. 87, Article 3.2.**

- The Cuban government has enacted the Law for the Protection of National Independence and the Cuban Economy as part of its strategy to maintain control. Any Cuban citizen who cooperates with an organization that opposes the policies of the Cuban gov-

ernment is threatened with immediate incarceration and criminal procedures.

In addition to all of the above, investment in Cuba often involves the use of properties illegally confiscated without compensation; acceptance of the "tourist apartheid" that prevents the vast majority of Cuba's citizens from entering hotels and resorts; complicity in racial discrimination in hiring in the tourist industry; and waiver of any right to arbitration or protection under the law.

THE POSSIBILITIES TODAY IN CUBA

Foreign corporations can play a positive role in Cuba by simply refusing to accept further violations of worker rights in the conduct of their business. The Castro regime would certainly object, but would have few options (other than shutting down the tourist industry) if all foreign hotel operators stated they intended — in compliance with ILO mandates — to directly hire and fire employees in a nondiscriminatory fashion, to pay wages directly, and to allow workers to freely associate with each other and to form independent bargaining units. One possibility would be to rally around the Arcos Principles, named after the noted Cuban dissident Gustavo Arcos. This set of basic reforms is patterned on the Sullivan Principles that were used in South Africa. A company subscribing to these principles agrees to respect the dignity and rights of the Cuban people — nothing more and nothing less.

It would be wonderful if foreign companies would agree to such a straightforward proposal because it was the right thing to do. The record

(Continued on page 8)

The Role of Foreign Investment in Promoting Worker Rights in Cuba

by Ambassador Sally Grooms Cowal

President, Cuba Policy Foundation

Worker rights in Cuba clearly need to be strengthened. Foreign investment is one way to significantly improve the condition of Cuban workers and their rights. International worker protections and codes of conduct also help to advance worker rights in countries that lack them. In addition, the positive influence of companies on workers and societies in which they invest contributes to increased living standards and overall reform of labor conditions. But U.S. companies are unable to exert such influence because they have no role to play in the Cuban market.

Cuba's labor practices and the state's restrictions banning independent labor groups are widely recognized. The government's selection of workers who can be hired by foreign companies is often politically motivated. Further, the foreign partners pay the state agency, which then pays the employee at a 95 percent lower rate (the equivalent of a 95 percent income tax). Many argue that these highly unusual practices are a violation of international labor conventions.

Nevertheless, the overall impact of foreign investment in Cuba has been positive. Foreign investment is one of the primary engines driving Cuba's economic growth,

and economic development has enhanced the general quality of life for Cuban citizens.

INTERNATIONAL AND CORPORATE CODES OF CONDUCT

In addition to standards of worker rights mandated by international law, such as the conventions of the International Labor Organization, there are numerous voluntary principles and codes of conduct for socially responsible business practices. These include the Arcos Principles, the National Policy Association's North American Committee Principles, the Sullivan Principles, and the Global Compact. Many multinational corporations have endorsed or are encouraged to support such non-binding codes. Multinationals that endorsed the Sullivan Principles have also recently expressed interest in the Cuban market by participating in Cuban trade fairs and sending executives on information-gathering trips to the island.

Some multinationals maintain their own corporate codes of conduct that determine standards of behavior in overseas investment. These codes frequently include protections of worker rights that go beyond compulsory treaty terms or voluntary standards to

include company-specific provisions for the ethical treatment of their workers.

As recent history suggests, foreign investment has strengthened worker rights in developing countries. Through the provision of direct benefits such as financial security, internationally accepted working conditions, community development, and educational programs, foreign companies play positive roles in the communities where they invest. Workers in foreign companies see market principles and ideas practiced on a daily basis. These workers often receive better health care coverage than the average Cuban worker as well as higher wages. They may also be given perks such as cash incentives and food allowances and the use of company cars.

Some companies appear to be willing to export higher standards to countries that do not require them. For example, the environmental health and safety and worker standards of U.S. chemical companies first operating in China were higher than the local standards. The American firms considered it uneconomical to build a facility that would have to be upgraded in a few years to meet evolving and increasingly stringent environmental and labor standards.

Knowledge of company standards spreads by word of mouth and by example throughout communities. This awareness creates competition for workers and increases pressures on locally and state-owned enterprises for reform. In some cases in Cuba, the adoption by joint ventures of safety standards (such as steel-tipped shoes for mine workers) has been swiftly followed by a push by workers for the adoption of the same standards in state-owned companies. The foreign company leads the way by establishing a safety standard that others are forced to follow.

U.S.-CUBA ENGAGEMENT

However, as long as the U.S. embargo prohibits American companies from engaging in Cuba, their ability to act as a powerful, positive force for enhancing the lives of Cuban citizens will never be realized. Cooperative actions by U.S. companies with foreign investors in Cuba to promote worker rights will continue to be limited or impossible.

U.S. investment in the Cuban economy would provide the foundation from which to address more controversial issues. If U.S. companies were engaged in Cuba, the Cuban government would have something at stake in its relations with its U.S. trading partners, which would be an incentive to respond to interna-

tional pressure. Engagement would also provide leverage for U.S. companies to make demands on their Cuban trading partners.

Engagement in Cuba would also help to open and liberalize the Cuban economy. U.S. companies could pursue constructive dialogue with Cuban authorities and civil society on the problem of worker rights. U.S. investment would strengthen the Cuban economy, thereby improving the immediate living conditions of Cuban citizens, as well as promoting adherence to international or individual company labor standards.

Further, the daily activities of foreign investors in Cuba would bring about Cuban labor reform. When Cuban labor practices contradicted the codes of conduct of U.S. corporations, the companies would be compelled to require government conformity to company standards. In addition, international grassroots pressures to respect worker rights would encourage companies investing in Cuba to demand that the government undertake labor reform.

The positive role that increased U.S. trade ties can have on worker rights was recently demonstrated by the North American Agreement on Labor Cooperation (NAALC), which emerged from NAFTA. Since going into effect, the NAALC has led to significant developments in labor policy reform in Mexico, particularly regarding freedom of association and collective bargaining rights.

Without an investment relationship with Cuba, American companies cannot advance the welfare of Cuban workers. Disengagement directly contributes to the deprivation of the average Cuban by reducing employment opportunities and compounding economic hardships. Investment and trade relations can be a platform upon which to build cooperation while simultaneously providing sustenance and employment and the promise that conditions will continue to improve.

CONCLUSION

There are no simple solutions for the development of economic and political reform efforts in Cuba. However, engagement would allow American companies to have an immediate positive impact on worker rights. Moreover, engagement would enable the U.S. government and U.S. companies to participate in a dialogue with Cuban workers and to expand areas of cooperation. If the Cuban government failed to achieve progress, international condemnation and pressure by U.S. investors would leverage improvements by the state for Cuban workers. In turn, such progress would lead to stepped-up demands by Cuban citizens for better conditions.

It is important to move beyond the current wait-and-see approach of U.S. policy toward Cuba. For the lives of Cuban workers to improve sooner rather than later, U.S. investment must begin now. ■

Ongoing Relations Between Spain and Cuba

by Mark Falcoff

Resident Scholar, American Enterprise Institute

Spain's links with Cuba are in many ways more intense than those with any other Latin American country. Spanish rule on the island lasted three-fourths of a century longer than its rule in Mexico, Venezuela, or Peru. Further, after Cuban independence was achieved in 1902, more Spaniards settled in Cuba than they did during the 400 hundred years it had been a Spanish colony. At the time of the revolution of 1959, as many as one million Spaniards called Cuba home, the largest such community (proportionate to population) anywhere outside of the peninsula itself.

Most Cubans of Spanish immigrant origin have since fled the island, but Cuba remains a focus of Spanish cultural and political interests; Cuba is the destination of many Spanish tourists, and Spain provides the second largest source of foreign investment on the island. Indeed, because of the 40-year-old trade embargo that prohibits U.S. businesses from operating in Cuba, Spain is in the process of recovering much of the economic presence it lost there in 1959. It is particularly active in two of the most dynamic sectors

of the Cuban economy — tourist services and tobacco.

LONG-TERM RELATIONS

From a political perspective, one of the most striking features of Cuban-Spanish relations is their uninterrupted quality. Even though Spanish dictator Francisco Franco systematically jailed and exiled communists in his own country for almost 40 years, he never broke relations with Castro's Cuba. However, it was not until just before his death in 1975 that the two countries formally exchanged ambassadors.

After Spain's return to democracy, relations with Cuba continued and in many ways intensified. Spain has provided more economic assistance, albeit small, to Cuba than any member of the European Union (EU). That the United States is no longer a player on the island recommends the Castro regime to Spanish conservatives, many of whom have never forgiven the Americans for their role in the war of 1898. Many far left Spaniards, for their part, consider Cuba a socialist utopia that has somehow eluded them in their own country.

Cuba has been an important overseas destination for Spanish politicians from various parties. The list of Spanish political visitors to Cuba includes Premier Adolfo Suárez, Manuel Fraga Iribarne, head of Galicia's autonomous government, and Felipe González, both before and after he became Spain's first socialist Prime Minister in 1986. It was left to González to negotiate a settlement over the \$300 million worth of expropriated Spanish property. In the end, Spanish claimants were compelled to accept a pro rata share of the \$40 million upon which the two governments agreed. González also used the occasion to secure the release of one of Cuba's longest-serving political prisoners, Eloy Gutiérrez Menoyo.

The high level traffic between Madrid and Havana has had its limits, however. Although King Juan Carlos has traveled to Cuba to attend an Ibero-American Summit and Fidel Castro has visited Spain twice (once during the 500-year celebration of Columbus' voyage and another time on his way home from the Ibero-American Summit in Portugal),

neither head of state has visited the other on an official basis. This is Madrid's way of showing quiet displeasure with Castro's imperviousness to its appeal for modest economic and political reforms. The price that Cuba pays for its intransigence, apart from forgoing the ceremonials of a state visit, is very limited Spanish support in EU councils, where, naturally enough, Madrid exercises a preponderant influence on Latin American matters.

SPANISH DOMESTIC POLITICS AND CUBA

There are also strict limits within which the "Cuban issue" is played out in Spanish domestic politics. Cuba is seen by many Spaniards otherwise uninterested in the matter as a symbol of successful resistance to globalization and American culture, both of which they heartily despise. When the conservative government of José María Aznar (Partido Popular) took office in 1996, great policy changes toward Cuba were expected; however, after a few sensational moments at the beginning—during one, Aznar accused Castro to his face of having tortured people—the old balance reestablished itself.

Much of the Spanish concern for human rights in Cuba today comes not from the right but from the liberal left—many socialists feel betrayed by Castro and are ashamed of the way he perverts their ideological ideal. Meanwhile, some of Spain's business elite, a key constituency of the ruling Partido Popular, are actively involved in joint ventures with the Cuban government.

INFLAMED RELATIONS BETWEEN SPAIN AND U.S.

The passage of both the Cuban Democracy Act (1992) and the Helms-Burton Law (1996) in the United States have inflamed relations between Spain and the United States. Spaniards, like most Europeans, strongly object to the extraterritorial aspirations of both laws. They believe that if democracy in Cuba is the true objective of the U.S. position, a policy of constructive engagement is the best course of action. They periodically remind Americans that Laureano López-Rodó, architect of Franco's "economic miracle" in the 1960s and early 1970s, predicted that Spain would be ready for democracy when its average per capita income reached \$2,000 a year. It follows from this perspective, then, that if the United States

wants democracy to prevail in Cuba, it should encourage foreign investment by other countries, and even join in. However, whether Spanish economic interests in Cuba would be best served in the long run by the United States heeding this counsel is another matter.

CUBA'S FUTURE ATTITUDE TOWARD SPAIN

Another future issue concerns the attitude of Cubans toward Spanish economic interests once the country has a democratic political system and labor unions are free to negotiate contracts. Will Cubans resent the present period—which promises to stretch out at least a decade or more—when Spanish enterprises took advantage of Cubans' subordination to a communist dictatorship to acquire a first-rate labor force at fire-sale prices? Will Cubans take punitive measures against these firms? Or will they regard the return of Spain to Cuba as a harbinger of better days, a major (if necessarily limited) contribution to the open, prosperous society to which so many have aspired? On this score, Spaniards do not seem to be worried. Only the future will tell if they should have been. ■

U.S. Presidents Speak on Cuba

President George W. Bush, in a speech on May 20, 2002, at the Cuban Independence Day celebration in Miami, stated: "If the Cuban government truly wants to advance the cause . . . of Cuban workers, surely it will permit trade unions to exist outside government control. If Cuba wants to create more good-paying jobs, private employers have to be able to negotiate with and pay workers of their own choosing without the government telling [them] who they can hire and who they must fire. . . . Workers employed by foreign companies should be paid directly by their employers, instead of having the government seize their hard currency wages and pass on a pittance in the form of pesos."

Former President Jimmy Carter said in a speech at the University of Havana on May 14, 2002: "The hard truth is that neither the United States nor Cuba has managed to define a positive and beneficial relationship. Will this new century find our neighboring people living in harmony and friendship?"

"Except for the stagnant relations between the United States and Cuba, the world has changed greatly, and especially in Latin America and the Caribbean. As late as 1977, when I became President, there were only two democracies in South America and one in Central America. Today, almost every country in the Americas is a democracy.

"I am not using a U.S. definition of 'democracy.' The term is embedded in the Universal Declaration of Human Rights, which Cuba signed in 1948, and it was defined very precisely by all the other countries of the Americas in the Inter-American Democratic Charter in September [2001]. It is based on some simple premises: all citizens are born with the right to choose their leaders, to define their own destiny, to speak freely, to organize political parties, trade unions and nongovernmental groups, and to have fair and open trials.

"Cuba has adopted a socialist government where one political party dominates and people are not permitted to organize any opposition movements. [Cuba's] constitution recognizes freedom of speech and association, but other laws deny these freedoms to those who disagree with the government.

"After 43 years of animosity, I hope that someday soon, [Cubans] can reach across the great divide that separates our two countries and say, 'We are ready to join the community of democracies.' I hope that Americans will soon open [their] arms to you and say, 'We welcome you as our friends.'"

President Bush's speech has been excerpted from: <http://www.whitehouse.gov/new/releases/2002/05/print/20020520-6.html>.

President Carter's excerpted remarks are from: <http://www.cartercenter.org/viewdoc.asp?docID=517&sub-menu=news>.

(Continued from page 2)

of foreign investors in Cuba, however, is not encouraging. In fact, foreign corporations have become full partners with Castro in exploiting Cuba's citizens. Attempts to assuage this guilt by making small surreptitious hard currency payments to workers ring hollow. (If you give a slave a chicken on Sunday, have you addressed his slavery?) Unfortunately, many corporations will do the right thing only when they have no choice. The threat of li-

ability may be the prompt needed. International law is evolving rapidly, and foreign corporations across the globe are being hauled into court for violating worker and human rights.

In the United States, interest is growing in using the Alien Claims Tort Act (ACTA) as a vehicle to press for reform or to punish corporations that become partners in repression with nondemocratic regimes. ACTA has already been used to address violations of rights by international corpora-

tions in Nigeria and Burma. Lawsuits based on ACTA will be applied to Cuba in the near future. However, foreign investors must also worry about being called to account in Cuba itself. It is highly likely that today's violations will be the subject of intense legal scrutiny in tomorrow's democratic Cuba.

Advocates of increased foreign investment in Cuba—particularly those who believe there should be American investment—have an obligation to address the issue of worker rights up front. It is not enough to simply say that investment leads to reform at some unspecified time in the future. A recent series of articles in the *Washington Post* pointing out that U.S. companies routinely discriminate against women in Saudi Arabia highlights the fact that American businesses often display no more backbone than their European or Latin counterparts. Foreign investors can be part of the solution in Cuba, but they must first stop being part of the problem. ■

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CUBA TODAY

June 2002

Vol. 3, No. 1

Published by the National Policy Association.

This newsletter is made possible through support provided by the Bureau for Latin America and the Caribbean and the U.S. Agency for International Development. The views expressed by the authors are their own and do not necessarily represent those of USAID, NPA, or the member organizations of the Cuba Working Group.

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ADENTRO...

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En este volumen, *CUBA TODAY* explora una pregunta aparentemente sencilla: ¿Cómo pueden promover los inversionistas extranjeros los derechos de los trabajadores en Cuba? Dos conocidos expertos en Cuba presentan sus perspectivas, las cuales reflejan el diálogo continuo en los círculos políticos de Estados Unidos acerca de la mejor manera de fortalecer estos derechos. Un tercer comentarista se centra en uno de los países más prominentes que invierten en Cuba: España. Él explica la relación histórica especial entre las dos naciones; analiza la interacción entre la política española doméstica, la política española de la inversión en Cuba, y las

implicaciones para los trabajadores cubanos.

CUBA TODAY sirve como un foro para el diálogo sobre los derechos sindicales y la inversión extranjera en Cuba. Los artículos siguientes, acerca de las mejores prácticas de negocio, destacan la relevancia de las prácticas comerciales para los trabajadores en Cuba. Aunque los puntos de vista difieren con respecto a la estrategia, todos los autores subrayan la influencia de los inversionistas extranjeros en la defensa de los derechos laborales y la necesidad de los esfuerzos continuos para promover esos derechos.

Los inversionistas extranjeros en Cuba: Ya es la hora de hacer lo correcto

por el Embajador Dennis K. Hays

Vicepresidente Ejecutivo, Cuban American National Foundation

La inversión extranjera a menudo es una fuerza positiva en un país en vías de desarrollo. Un inversionista extranjero trae el capital y la tecnología necesarios que pueden generar empleo y riqueza y mejorar la vida de los ciudadanos locales. ¿Pero qué sucede si se le pide a una corporación extranjera que viole los derechos de sus trabajadores como una condición para realizar el negocio? ¿Qué pasa si es claro que esa inversión sólo alimenta un régimen represivo y alivia la necesidad de reforma política y económica? ¿Debe un inversionista quedarse, irse, o debe tratar de cambiar el sistema?

DEFENDER A LOS TRABAJADORES ABUSADOS

Un debate saludable está sucediendo por todo el mundo sobre lo

que constituye un salario vital y cuáles son las normas apropiadas para la salud y la seguridad. Sin embargo, no hay un debate acerca de un punto crucial — ni las corporaciones ni los gobiernos tienen el derecho de abusar sistemáticamente de los trabajadores. Prácticas como el trabajo forzado y la discriminación racial al dar empleo tienen pocos defensores en estos días.

Las empresas que escogen violar los derechos humanos y laborales están cambiando ganancias a corto plazo por una responsabilidad a plazo largo. Los ciudadanos afectados por todo el mundo están demandando a las compañías que coluden con gobernantes corruptos y dictatoriales, y están ganando. Las empresas extranjeras ya no pueden eludir de la

responsabilidad de sus acciones reclamando que ellos estaban de acuerdo con la ley local, sabiendo muy bien que esas leyes violaban las normas internacionales.

Asimismo, las compañías no solamente se ponen en riesgo en los tribunales de justicia, sino también en el tribunal de la opinión pública cuando abusan de sus trabajadores. Simplemente pregúntele a Nike sobre su experiencia en Vietnam. Nike estuvo cerca de perder su más preciada ventaja relativa, su prestigio, debido al tratamiento de los trabajadores subcontratados para fabricar sus zapatos. Al haber aprendido una lección dolorosa, hoy en día Nike es el campeón de las

buenas prácticas de trabajo. Su informe anual más reciente expresa rotundamente: "Las fábricas que rehúsan seguir estos pasos [salvaguardar las condiciones del trabajador] nos perderán como clientes."

Idealmente, los individuos, las corporaciones y las naciones decidirían respetar los derechos básicos humanos y laborales por su propia voluntad. Ya llegará el día en que hacer lo correcto y tomar la decisión adecuada en los negocios será lo mismo. Pero ese momento aún no ha llegado.

LOS PROBLEMAS EL DÍA DE HOY EN CUBA

En el mundo existen países más pobres que Cuba, pero ninguna nación con la excepción de Corea del Norte trabaja tan arduamente para suprimir la iniciativa individual o para aminorar la participación significativa de sus ciudadanos en la actividad económica. Las empresas extranjeras que quieren hacer negocios en Cuba lo hacen según los términos de Castro o no lo hacen en absoluto. Esto hace a los inversionistas extranjeros cómplices de una multitud de prácticas de negocio sucias. Grupos independientes de derechos laborales y humanos que varían desde Amnistía Internacional hasta la Confederación Internacional de Organizaciones Sindicales Libres han documentado exhaustivamente estos abusos. Aunque Cuba ha sido un signatario por largo tiempo de las convenciones clave de la Organización Internacional del Trabajo (OIT), el régimen de Castro ignora prácticamente todas ellas. La organización religiosa holandesa Pax

1. Pax Christi, *La Unión Europea y Cuba, Solidaridad o Complicidad?* (Utrecht, The Netherlands, septiembre de 2000).

2. El anexo del informe documenta estos casos.

Christi detalló recientemente las siguientes violaciones de las convenciones de la OIT y de derechos humanos en su informe exhaustivo, *La Unión Europea y Cuba, Solidaridad o Complicidad?*¹

- *Los trabajadores cubanos no tienen derecho a escoger su lugar de empleo, la naturaleza de tal empleo, ni el sueldo que deben recibir por ese trabajo. Violación de la Convención fundamental No. 111 de la OIT.*
- *Los trabajadores cubanos no tienen derecho de formar sindicatos de su propia elección, para hacer huelga, pedir mejores condiciones laborales, para criticar alguna regla de trabajo, ni tampoco para quejarse acerca de sus supervisores. Las tentativas de los trabajadores para organizarse independientemente son ilegales, y los activistas son sujeto de persecución, acoso y expulsión del trabajo. Violación de la Convención No. 87. 2*
- *Se le prohíbe a los trabajadores cubanos y a los empleadores extranjeros que negocien sueldos libremente. En sentido estricto, los empleadores extranjeros en Cuba no les pagan el sueldo a sus empleados del todo. Ellos están obligados a pagar a las agencias del gobierno. Los trabajadores están forzados a aceptar salarios muy por debajo del nivel de subsistencia. Bajo esta práctica, los trabajadores reciben menos del 10 por ciento de la cantidad que las compañías les pagan a las agencias. Violación de la Convención No. 95.*
- *La gran mayoría de los trabajadores cubanos no tiene derecho de abrir sus propios negocios ni puede emplear a más de cuatro personas, todas las cuales tienen que ser parientes.*
- *Se alienta a los trabajadores cubanos a espiar a sus vecinos e informar cualquier actividad que el Partido crea que va en contra de sus directivas. Es de práctica común*

colocar a partidarios militantes o a "espías" en cada lugar de trabajo, inclusive éstos de compañías extranjeras, para que traten con los compañeros de trabajo problemáticos. **Violación de la Convención No. 87, Artículo 3.2.**

- *El gobierno cubano ha decretado la Ley para la Protección de la Independencia Nacional y de la Economía Cubana como parte de su estrategia para mantener su control. Se amenaza con encarcelación inmediata y procedimientos criminales a cualquier ciudadano cubano que coopere con una organización que se oponga a las normas del gobierno cubano.*

Además de todo lo anterior, la inversión en Cuba implica a menudo el uso de propiedades confiscadas ilegalmente sin compensación, la aceptación del "apartheid turística" que impide que la gran mayoría de los ciudadanos de Cuba entren a los hoteles y a los centros vacacionales, la complicidad en la discriminación racial al contratar empleados en la industria turística, y una renuncia a cualquier derecho a arbitraje o protección según la ley.

LAS POSIBILIDADES EL DÍA DE HOY EN CUBA

Las empresas extranjeras pueden jugar un papel positivo en Cuba simplemente con el hecho de rehusar de aceptar violaciones adicionales de los derechos laborales en la realización de su negocio. El régimen de Castro ciertamente se opondría, pero tendría pocas opciones (a parte de la de cerrar la industria turística) si todos los operarios de hoteles extranjeros expresaran que ellos tenían la intención — en cumplimiento con los mandatos de la OIT — de emplear y despedir directamente a los empleados sin ningún tipo de discriminación, pagar salarios

(Continuado en página 8)

El papel de la inversión extranjera para promover los derechos laborales en Cuba

por la Embajadora Sally Grooms Cowal

Presidenta, Cuba Policy Foundation

Los derechos del trabajador en Cuba obviamente necesitan ser refortalecidos. La inversión extranjera es una manera de mejorar significativamente la condición de los trabajadores cubanos y los derechos del trabajador. Las protecciones internacionales del trabajador y los códigos de conducta también ayudan a avanzar los derechos laborales en los países que no los tienen. Además, la influencia positiva de las compañías en los trabajadores y en las sociedades en que ellas invierten contribuye a mejores estándares de vida y a la reforma completa de las condiciones de trabajo. Pero las compañías de los Estados Unidos son incapaces de ejercer tal influencia porque no tienen un papel que jugar en el mercado cubano.

Las restricciones de Cuba que prohíben los grupos laborales independientes y las prácticas laborales del gobierno se conocen extensamente. La selección que el estado hace de los trabajadores que pueden ser empleados por compañías extranjeras es a menudo motivada políticamente. Además, los socios extranjeros le pagan a la agencia estatal cubana, que después le paga al empleado cubano una tasa del 95 por ciento más baja (el equivalente de un 95 por ciento del impuesto sobre la renta). Muchas personas insisten que estas prácticas muy fuera de lo común son una violación de las convenciones laborales internacionales.

Sin embargo, el impacto general de la inversión extranjera en Cuba ha sido positivo. La inversión extranjera es uno de los motores primarios que impulsa el crecimiento económico de Cuba, y el desarrollo económico ha aumentado la calidad de vida en general para los ciudadanos cubanos.

CÓDIGOS DE CONDUCTA INTERNACIONALES Y CORPORATIVOS

Además de las normas de los derechos de los trabajadores exigidos por el derecho internacional, como las convenciones de la Organización Internacional del Trabajo, existen numerosos principios voluntarios y códigos de conducta para prácticas de comercio socialmente responsables. Éstos incluyen los Principios de Arcos, los Principios del Comité Norteamericano de la National Policy Association, los Principios de Sullivan, y el Compacto Global. Muchas empresas multinacionales han aprobado o son alentadas a apoyar dichos códigos que no son obligatorios. Las multinacionales que aprueban los Principios de Sullivan también han expresado interés recientemente en el mercado cubano al tomar parte en las ferias cubanas de comercio o al enviar ejecutivos en viajes a la isla para recopilar información.

Algunas multinacionales mantienen sus propios códigos de conducta corporativos que determinan los estándares de conducta en la inversión extranjera. Con frecuencia, estos códigos incluyen protecciones de los derechos laborales que van más allá de los términos obligatorios de tratados o de los estándares voluntarios para incluir las estipulaciones específicas de la compañía para el tratamiento ético de sus trabajadores.

Como lo sugiere la historia reciente, la inversión extranjera ha fortalecido los derechos laborales en países en vías de desarrollo. Mediante la provisión de beneficios directos como seguridad financiera,

condiciones de trabajo internacionalmente aceptadas, desarrollo de la comunidad, y programas educativos, las compañías extranjeras juegan papeles positivos en las comunidades donde ellas invierten. Los trabajadores en compañías extranjeras ven los principios e ideas del mercado practicados diariamente. Estos trabajadores reciben a menudo mejor cobertura de los servicios de la salud que el trabajador cubano promedio, así como también sueldos más altos. Ellos también pueden recibir beneficios adicionales como estímulos en efectivo y concesiones de alimento y el uso de automóviles de la compañía.

Algunas compañías parecen estar dispuestas a exportar estándares más altos a los países que no los requieren. Por ejemplo, los estándares medioambientales laborales, de seguridad, y de salud de las primeras compañías químicas de EE.UU. que abrieron en China eran más altos que los estándares locales. Las firmas estadounidenses consideraron poco rentable la construcción de una facilidad que tendría que ser mejorada de en unos pocos años para alcanzar los estándares medioambientales y laborales en desarrollo y que cada vez son más rigurosos.

El conocimiento de los estándares empresariales se extienden verbalmente y por el ejemplo a través de comunidades. Este conocimiento crea competencia en el mercado laboral y aumenta presiones en las empresas locales pertenecientes al estado para hacer reformas. En algunos casos en Cuba, la adopción por empresas conjuntas de estándares de seguridad (como zapatos con

punta de acero para los mineros) se ha seguido rápidamente por un empuje por parte de los trabajadores para adoptar los mismos estándares en compañías pertenecientes al estado. La compañía extranjera está en la vanguardia al establecer un estándar de seguridad que otros están obligados a seguir.

RELACIONES ENTRE CUBA Y EE.UU.

Sin embargo, mientras que el embargo de los Estados Unidos le prohíba a las compañías estadounidenses entrar a Cuba, su habilidad de actuar como una fuerza poderosa y positiva para mejorar las vidas de los cubanos nunca se realizará. Las acciones de colaboración de las empresas estadounidenses con inversionistas extranjeros en Cuba para promover los derechos laborales continuarán siendo limitadas o imposibles.

La inversión de Estados Unidos en la economía cubana proporcionaría la base para tratar los asuntos más polémicos. Si las compañías estadounidenses participaran en Cuba, el gobierno cubano tendría algo en juego en sus relaciones con sus socios comerciales en EE.UU., lo que sería un estímulo para responder a la presión internacional. Al mismo tiempo, esa participación aumentaría la posibilidad para que las compañías de Estados Unidos le hagan exigencias a sus socios comerciales cubanos.

La participación en Cuba ayudaría también a abrir y liberalizar la economía cubana. Las empresas de los Estados Unidos podrían seguir un diálogo constructivo con las autoridades cubanas y la sociedad civil en el problema de derechos laborales. Con este enfoque, la inversión de Estados Unidos fortalecería la economía cubana, con lo cual mejorarían las condiciones de vida inmediatas de los ciudadanos

cubanos, y también promovería la adherencia a los estándares laborales internacionales individuales de cada compañía individual.

Además, las actividades diarias de los inversionistas extranjeros en Cuba resultarían en una reforma laboral cubana. Cuando las prácticas laborales cubanas contradijeran los códigos de conducta de las empresas de EE.UU., las compañías se verían obligadas a requerir la conformidad del gobierno a los estándares de la compañía. Asimismo, las presiones internacionales al nivel popular en favor de los derechos del trabajador alentarían a las compañías que invierten en Cuba a requerir que el gobierno emprenda reformas laborales.

El papel positivo que un aumento en los enlaces comerciales con EE.UU. puede tener en los derechos laborales se demostró recientemente por el Acuerdo Norteamericano sobre Cooperación Laboral (NAALC), que surgió del TLCAN. Desde que entró en vigor, el NAALC ha resultado en reformas de la política laboral en México, particularmente con respecto a la libertad de asociación y a los derechos de negociación colectiva.

Sin una relación inversionista con Cuba, las compañías estadounidenses no pueden fomentar el bienestar de los trabajadores cubanos. La falta de involucramiento contribuye directamente a la privación del cubano promedio al reducir las oportunidades de empleo y al agravar las dificultades económicas. Las relaciones inversionistas y comerciales pueden ser una plataforma para la cooperación, mientras que al mismo tiempo provee sustento y empleo y la promesa de que las condiciones continuarán mejorando.

CONCLUSIÓN

No existen soluciones sencillas para el desarrollo de reformas económicas y políticas en Cuba. Sin

embargo, la participación permitiría que las compañías estadounidenses tengan un impacto positivo inmediato en los derechos del trabajador. Además, la participación habilitaría al gobierno de EE.UU. y a las compañías de dicho país a tomar parte en un diálogo con los trabajadores cubanos y a aumentar las áreas de cooperación. Si el gobierno cubano fallara en lograr el progreso, la condena y la presión internacionales por inversionistas de EE.UU. tendrían influencia sobre las mejoras del gobierno para el trabajador cubano. A su vez, tal progreso resultaría en más demandas de parte de los ciudadanos cubanos para conseguir mejores condiciones.

Es importante ir más allá del enfoque actual de esperar y ver de la política de los Estados Unidos hacia Cuba. Para que las vidas de los trabajadores cubanos mejoren en cuanto antes, la inversión de EE.UU. debe comenzar ahora. ■

Miembros del Grupo de Trabajo sobre Cuba

- AFL-CIO American Center for International Labor Solidarity (ACILS)
- American Chamber of Commerce of Cuba in the United States (AmCham Cuba)
- Confederation of Netherlands Industry and Employers (VNO-NCW)
- Consejo Mexicano de Comercio Exterior (COMCE)
- The Conference Board of Canada
- Cuba Policy Foundation
- Florida International University
- Instituto Tecnológico Autónomo de México (ITAM)
- National Policy Association
- Pax Christi Netherlands
- Prince of Wales Business Leaders Forum
- United Food and Commercial Workers International Union (UFCW)
- U.S. Chamber of Commerce
- U.S. Cuba Business Council

Las relaciones continuadas entre España y Cuba

por Mark Falcoff

Especialista en Presidencia, American Enterprise Institute

Los enlaces de España con Cuba son de alguna forma más intensos que con cualquier otro país latinoamericano. El imperio español en la isla duró tres cuartos de siglo más que en México, Venezuela o Perú. Además, después de que Cuba se independizara en 1902, más españoles se asentaron en Cuba que durante los 400 años que fue una colonia española. En el tiempo de la revolución de 1959, nada menos de un millón de españoles vivían en Cuba, la comunidad más grande (en proporción a la población) en cualquier parte fuera de la península ibérica.

Desde entonces, la mayoría de los cubanos de origen español han huido de la isla, pero Cuba permanece un foco de intereses culturales y políticos españoles; Cuba es el destino de muchos turistas españoles, y España proporcionan la segunda fuente más grande de inversión extranjera en Cuba. En efecto, a causa del embargo comercial de 40 años que prohíbe que los negocios Estadounidenses operen en Cuba, España está en el proceso de recuperar gran parte de la presencia económica que perdió en Cuba en 1959. Es particularmente activa en dos de los sectores más dinámicos de la economía cubana — los servicios turísticos y el tabaco.

RELACIONES A LARGO PLAZO

Desde una perspectiva política, una de las características más evidentes de las relaciones entre España y Cuba es su calidad de constancia. Aunque el dictador español Francisco Franco encarceló y exilió sistemáticamente a los comunistas en su propio país durante casi 40 años, él nunca rompió relaciones con la Cuba comunista. Sin embargo, no fue sino hasta justo antes de su muerte en 1975 que los dos países intercambiaron formalmente embajadores.

Desde que España volvió a la democracia, las relaciones con Cuba han continuado y en muchas maneras se han intensificado. España ha proporcionado más ayuda económica a Cuba, aunque es pequeña, que cualquier miembro de la Unión Europea (UE). El hecho que Estados Unidos ya no sea más un jugador en la isla le recomienda el régimen de Castro a los conservadores españoles, muchos de los cuales nunca han perdonado a los estadounidenses por su papel en la guerra de 1898. Muchos españoles de la extrema izquierda, por su parte, consideran a Cuba una utopía socialista que de algún modo les ha eludido en su propio país.

Cuba ha sido un destino extranjero importante para los

políticos españoles de varios partidos. La lista de los visitantes políticos españoles a Cuba incluye al primer ministro Adolfo Suárez, Manuel Fraga Iribarne, jefe del gobierno autónomo de Galicia, y Felipe González, antes y después de que llegara a ser el primer socialista que ocupaba el cargo de primer ministro de España en 1986. González se quedó con la responsabilidad de negociar un arreglo con un valor de más de 300 millones de dólares de propiedades españolas expropiadas. Al final, se obligó a los demandantes españoles a aceptar una acción proporcional de los 40 millones de dólares en que los dos gobiernos concordaron. González también aprovechó la oportunidad para asegurar la liberación de uno de los prisioneros políticos cubanos que más largo ha estado en prisión, Eloy Gutiérrez Menoyo.

Sin embargo, el tráfico de alto nivel entre Madrid y La Habana ha tenido sus límites. Aunque el rey Juan Carlos viajó a Cuba para asistir a la Cumbre Iberoamericana, y Fidel Castro visitó España dos veces (durante la celebración de los 500 años del viaje de Colón y de regreso a Cuba de la Cumbre Iberoamericana en Portugal), ninguno de los dos jefes de estado ha visitado al otro de manera oficial. Esta es la forma como Madrid

demuestra su disgusto discreto con el rechazo de Castro de su apelación a llevar a cabo modestas reformas económicas y políticas. El precio que Cuba paga por su intransigencia, aparte de renunciar al ceremonial de una visita de estado, es el apoyo muy limitado de España en los consejos de la UE donde, obviamente, Madrid ejerce una influencia preponderante en cuestiones latinoamericanas.

A POLÍTICA DOMÉSTICA ESPAÑOLA Y CUBA

También existen límites estrictos dentro de los cuales el "asunto cubano" se interpreta en la política doméstica española. Muchos españoles, que de otro modo no se interesan en la cuestión, ven a Cuba como un símbolo de la resistencia exitosa a la globalización y a la cultura estadounidense, las cuales desprecian totalmente. Cuando el gobierno conservador de José María Aznar (Partido Popular) se posesionó en 1996, se esperaban grandes cambios de la política hacia Cuba; sin embargo, después de unos pocos momentos sensacionales al principio — durante uno, Aznar acusó a Castro en su cara de haber torturado a personas — el viejo equilibrio se reestableció por sí mismo.

Gran parte de la preocupación española acerca de los derechos humanos en Cuba hoy en día, no es por parte de la derecha, sino de la

izquierda liberal; muchos socialistas se sienten traicionados por Castro y están avergonzados de la manera en la que él distorsiona su ideal ideológico. Mientras tanto, algunos de la élite de negocios de España, un grupo de apoyo clave del Partido Popular gobernante, están envueltos activamente en aventuras conjuntas con el gobierno cubano.

RELACIONES ACALORADAS ENTRE ESPAÑA Y LOS ESTADOS UNIDOS

El pasaje de la Ley de la Democracia Cubana (Cuban Democracy Act) (1992) y también la Ley de Helms y Burton (1996) en Estados Unidos ha acalorado las relaciones entre España y los Estados Unidos. Los españoles, como la mayoría de los europeos, se oponen fuertemente a las aspiraciones extraterritoriales de ambas leyes. Ellos creen que si la democracia en Cuba es el objetivo verdadero de la política de los Estados Unidos, una política de compromiso constructivo es la mejor opción. Ellos le recuerdan periódicamente a los estadounidenses que Laureano López Rodó, el arquitecto del "milagro económico" de Franco en los años 1960 y a principios de los 1970, predijo que España estaría lista para la democracia cuando los ingresos promedio por habitante llegaran a 2,000 dólares anuales. Por lo tanto, según esta perspectiva, si

Estados Unidos desea que la democracia prevalezca en Cuba, debe alentar la inversión extranjera de otros países, e incluso unirse. Sin embargo, si a lo largo es mejor para los intereses económicos españoles en Cuba si Estados Unidos sigue este consejo, es otra cuestión.

LA POSTURA EVENTUAL DE CUBA HACIA ESPAÑA

Otro asunto futuro trata de la actitud de los cubanos hacia los intereses económicos españoles una vez que el país tenga un sistema político democrático y que los sindicatos sean libres para negociar contratos. ¿Resentirán los cubanos el período presente, el cuál promete extenderse por lo menos una década o más, cuando las empresas españolas se aprovecharon de la subordinación de los cubanos a una dictadura comunista par adquirir una fuerza laboral de primera a precios regalados? ¿Tomarán los cubanos medidas punitivas contra estas empresas? ¿O considerarán ellos el regreso de España a Cuba como un presagio de mejores días, una contribución mayor (si necesariamente limitada) a la sociedad abierta y próspera a la que tantos han aspirado? En este sentido los españoles parecen no estar preocupados. Sólo el futuro dirá si ellos deberían haberlo estado. ■

Presidentes de Estados Unidos hablan acerca de Cuba

El presidente George W. Bush, en un discurso en Miami durante un acto público a raíz del Día de la Independencia cubana celebrada el 20 de mayo de 2002, expresó: "Si el gobierno cubano sinceramente quiere avanzar la causa . . . de los trabajadores cubanos, seguramente permitirá que los sindicatos existan fuera del control del gobierno. Si Cuba desea crear empleos con mejores sueldos, los empleadores privados tienen que poder negociar y pagarles a los trabajadores de su propia elección sin que el gobierno les diga a quién pueden emplear y a quién deben despedir. . . . A los trabajadores empleados por compañías extranjeras se les debe pagar directamente, en vez de que el gobierno tome los sueldos en moneda dura y les pase una miseria en pesos."

El antiguo Presidente Jimmy Carter dijo en un discurso en la Universidad de La Habana el 14 de mayo de 2002: "La difícil verdad es que ni Estados Unidos ni Cuba ha logrado definir una relación positiva y benéfica. ¿Encontrará este siglo nuevo a nuestros pueblos vecinos viviendo en amistad y armonía?"

"Con excepción de las relaciones paralizadas entre Estados Unidos y Cuba, el mundo ha cambiado bastante, y especialmente en América latina y el Caribe. Hasta en 1977, cuando llegué a ser presidente, había sólo dos democracias en Sudamérica y una en Centroamérica. Hoy en día, casi todos los países en el continente americano son democracias.

"Yo no uso una definición de EE.UU. de 'democracia'. El término está firmemente arraigado en la Declaración Universal de los Derechos Humanos, la

cuál Cuba firmó en 1948, y se definió muy precisamente por todos los otros países del continente americano en la Carta Democrática Interamericana en septiembre [2001]. Se basa en algunas premisas sencillas: todos los ciudadanos nacen con el derecho de escoger a sus líderes, definir su propio destino, hablar libremente, organizar partidos políticos, sindicatos y grupos no gubernamentales, y tener juicios abiertos y justos.

"Cuba ha adoptado un gobierno socialista donde un partido político domina, y no se permite que la gente organice cualquier movimiento de oposición. La constitución [de Cuba] reconoce la libertad de expresión y asociación, pero otras leyes niegan estas libertades a los que no concuerdan con el gobierno.

"Después de 43 años de animosidad, yo espero que algún día muy pronto, [los cubanos] puedan atravesar la gran división que separa nuestros dos países y digan, 'estamos listos para unirnos a la comunidad de democracias.' Espero que los estadounidenses le abran pronto los brazos y digan, 'Nosotros les damos la bienvenida como nuestros amigos.'"

El discurso del presidente Bush fue seleccionado de

<http://www.whitehouse.gov/new/releases/2002/05/print/20020520-6.html>

Las observaciones del presidente Carter fueron seleccionadas de

<http://www.cartercenter.org/viewdoc.asp?docID=517&submenu=news>

(Hays continuación de página 2)
directamente, y permitir que los trabajadores se asocien libremente para formar unidades independientes de negociación. Una posibilidad sería la de suscribirse a los Principios de Arcos, llamados así en nombre del célebre disidente cubano Gustavo Arcos. Este conjunto de reformas básicas se modela en los Principios de Sullivan que se usaron en Sudáfrica. Una compañía que se suscribe a estos principios concuerda en respetar la dignidad y los derechos del pueblo cubano, ni más ni menos.

Sería maravilloso si las compañías extranjeras concordaran a esta propuesta tan sencilla porque es lo correcto. Sin embargo, la trayectoria de los inversionistas extranjeros en Cuba no es alentadora. De hecho, las empresas extranjeras han llegado a ser socias de Castro en la explotación de los cubanos. Las tentativas para mitigar esta culpabilidad al hacer pequeños pagos furtivos de moneda fuerte a los trabajadores, suenan falsas. (Si usted le

da a un esclavo un pollo el domingo, ¿ha abordado su esclavitud?) Desafortunadamente, muchas empresas harán lo correcto solamente cuando no tengan otra opción. La amenaza de hacerlos responsables al nivel mundial puede ser el empuje necesario. El derecho internacional evoluciona rápidamente, y se están llevando ante los tribunales a las empresas extranjeras por violar los derechos humanos y laborales.

En Estados Unidos crece el interés de usar el Acta de Reclamos de Agravios Extranjeros (Alien Claims Tort Act o ACTA) como un vehículo para presionar por la reforma o para castigar a las empresas que se convierten en socias de la represión con regímenes no democráticos. ACTA ya se ha usado para tratar las violaciones de los derechos por corporaciones internacionales en Nigeria y Burma. Las demandas basadas en ACTA se aplicarán a Cuba en un futuro cercano. Sin embargo, los inversionistas extranjeros deben preocuparse también

de ser llamados a rendir cuentas en la misma Cuba. Es muy probable que las violaciones actuales serán sujeto de una averiguación legal intensa en la Cuba democrática de mañana.

Los defensores de la inversión extranjera en Cuba, particularmente los que creen que debe haber inversión estadounidense tienen la obligación de encarar el asunto del derecho laboral francamente. No es suficiente decir simplemente que la inversión lleva a reformas en algún tiempo indeterminado en el futuro. Una serie reciente de artículos en el Washington Post, que indica que las compañías de los Estados Unidos discriminan rutinariamente contra mujeres en Arabia Saudita, destaca el hecho de que las empresas estadounidenses demuestran a menudo que no tienen más fibra que sus contrapartes europeas o latinas. Los inversionistas extranjeros pueden formar parte de la solución en Cuba, pero primero deben dejar de ser parte del problema. ■

CUBA TODAY

agosto del 2002

Vol. 3, No. 1

Publicado por la National Policy Association.

Este boletín informativo ha sido posible con el apoyo del Bureau for Latin America and the Caribbean, United States Agency for International Development. Los puntos de vista expresados son los de los autores y no representan necesariamente los de la USAID, NPA, o las organizaciones miembros del Grupo de Trabajo sobre Cuba.

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CUBA TODAY

Best Business Practices and Labor Rights

October 2002

Vol. 3, No. 2

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This issue of *Cuba Today* examines some of the challenges that are integral to promoting the rights of workers in Cuba.

Joaquín Roy, an expert on relations between the European Union and Cuba, explores the differences in approach used by the EU and the United States to bring about democratic and free market reforms on the island. He notes that the US embargo and the EU Common Policy have virtually neutralized each other.

The recent sugar mill closings in Cuba have had an enormous impact on workers in this sector. Hans de Salas-del Valle of the University of Miami discusses the economic impact of the closings as well

as the personal sentiments and fears of those Cuban workers now out of a job.

John Sweeney, AFL-CIO President, granted NPA permission to reprint his letter to Fidel Castro condemning the "direct state interference and threats" toward members of the independent labor union, Confederación Obrera Nacional Independiente de Cuba. Interference with labor organizational activities is a violation of ILO Convention 87.

Cuba Today serves as a forum for dialogue on the interactions between business and labor in Cuba. We welcome your comments and submission of articles.

Cuba: Between the United States and Europe

by Joaquín Roy

*Jean Monnet Professor of European Union Integration and
Director of the European Union Center, University of Miami*

Even before the end of the Cold War, Cuba considered Europe an alternative to the apparently impossible normalization of relations with the United States. However, despite the impressive trade, investment, and tourism linkages between important European countries and Havana, the stark reality is that Cuba is the only Latin American country that does not enjoy a cooperation agreement with the European Union (EU).

This article has been excerpted from the author's paper presented at the conference on "Cuba: Integration into the International System," organized by the Pell Center for International Relations and Public Policy, held in Newport, Rhode Island, March 22-24, 2002. The original research was developed with the support of a grant from the North-South Center.

THE ARDUOUS EUROPEAN ANCHORING OF CUBA

A search through the official EU Web site can generate a sense of confusion and frustration about Cuba because it does not have a place like other Latin American nations in the External Relations structure of the European Commission (EC). Nor does Cuba occupy a specific place in the framework of the Development Directorate General.¹ At the end of 2002, the EC will open an office in Havana (which will report to the EU delegation in the Dominican Republic) to coordinate humanitarian aid programs. The anomaly created by these scant relations was further complicated when Cuba became a member of the African, Caribbean, and Pacific countries (ACP

group) without being a signatory of the Cotonou agreements, the successor of Lomé.

Nonetheless, Europe as a whole is Cuba's most important trade, tourism, and investment source. Europe has replaced the Soviet Union as Havana's main commercial partner. With the vanishing of the Soviet bloc, Europe can afford to accept Cuban exceptionalism and has developed what can be labeled as "conditioned constructive compromise" based more on the carrot than the stick. But the EU has not used its economic leverage to pressure Cuba on a political level. The EU's political structure has helped reinforce this weakness: while the EU has competence over economic matters, the member states still have domain over political relations.

European persuasion is reduced to the spirit and content of the Common Position imposed in 1996, which in turn owes its development to the aftermath of the Brothers to the Rescue tragedy and the confrontation over the Helms-Burton law.² The Common Position, renewed every six months by the EU Council (in a ceremony that resembles the renewal of the waiver of Title III of Helms-Burton by the US President), is a precondition for a bilateral agreement between the EU and Cuba, a clause that has been explicitly rejected by Havana.³ The position calls for a pacific transition to a pluralist democracy, preferably led from the top, with the benefit of development aid being channeled through European and Cuban nongovernmental organizations.

Observers have noted that the position is void in view of the volume of bilateral relations with the majority of the most important member states. The position has been basically violated by Cuba's most significant partner, Spain, in terms of trade and aid and under both socialist and conservative governments. However, Spain has terminated credits and other trade incentives because of Cuba's lag in payments. Only the Nordic countries seem to respect the political terms of the position.

A rough grouping of member states based on attitude toward Cuba shows a southern bloc composed of Spain, Portugal, Italy, and France that acts as Cuba's main political and economic ally. In contrast, Germany, the United Kingdom, and Sweden appear to distance themselves in the political dimension. Austria, Belgium, and Finland, less influential in world affairs, do not have much at stake in the Caribbean and Latin America. A group of "blockers" (Finland, the Netherlands, Sweden, and the United Kingdom) seemed to slow down the process of the post-Lomé arrangement, while "openers" (France, Portugal,

Spain, and Italy) favored a positive approach. "Mediators" (Austria, Belgium, and Germany) remain ready to serve accordingly.⁴ However, these lines are fuzzy at times, depending on domestic and international circumstances.

Difficult Institutional Relations

Institutional relations have been difficult for two sets of reasons. The first is composed of uncomfortable personal linkages and references implicating Spanish officials, with the obvious case being the critical attitude of Spain's Prime Minister José María Aznar toward Castro. When a deal between the EC and Cuba seemed to be close in 1996, the insistence of EU Commissioner Manuel Marín on the human rights issues became an insurmountable obstacle.⁵ The cloudy atmosphere worsened after the new Commission was established in 1999, and the High Representative for the Common Foreign and Security Policy, Javier Solana, was insulted by the Cuban leadership. There also appeared to be friction between EU officers and Cuban ministers during the Lomé negotiations.

The second origin of difficulties derives from external crises. One was the shooting down of the Brothers to the Rescue planes; the second was the Elián González crisis.

Castro's Rejection of Membership in the Lomé Convention

The road to a post-Lomé deal was on a sure path, initiated in Brussels in September 1998⁶ and culminating in the signing of the new agreement on June 23, 2000, in Cotonou, Benin. Havana was now dealing not only with one office in Brussels, but also with a multilateral group of 77 countries. However, Castro rejected the procedure toward an agreement, claiming the resolution issued by the United Nations Human Rights Commission (where EU members and

candidates for membership have for years been voting in unison condemning Cuba) was one-sided, and he suspended the negotiations.

It is ironic that the climate for Cuban membership in the Lomé Convention was positive, shifting toward a normalization of the EU-Cuba relationship, this time anchored in the ACP multilateral context.⁷ Only some European governments, led by the United Kingdom, the Netherlands, and Sweden, seemed to oppose Cuban membership. The United Kingdom apparently threatened to veto the arrangement once it came to the Council. Cuba branded the EU conditions as "arrogant," "unacceptable," and "dependent on US policy."⁸

Supporters of Cuban membership and most neutral observers considered Cuba's reaction unexpected and violent. In fact, the decision was a slap in the face of ACP members that advocated Cuba's membership. ACP diplomats in Brussels confessed on the record to being surprised, although off the record they said they had suspected the outcome and were not caught off guard.⁹ EC officials expressed tongue-in-cheek satisfaction for what they feared was the result of hard work with high expectations.

Cuba apparently made the decision after a complete internal debate about the costs and benefits. The Cuban government decided that the economic benefits were not adequate compensation for the loss of political independence and involvement in a multilateral dialogue of unforeseeable consequences when dealing with democracy and human rights. In an off-the-record gathering of high-level government officials of the Caribbean and Central America, Castro called the deal "demasiado fastidio para tan poca plata" ("too big of a nuisance for so little money").¹⁰

In a surprising sequel to this mini-drama, on December 14, 2000, Cuba

became the 78th member of the ACP Group, without having signed the Cotonou Convention.¹¹ This anomaly led some to believe that Cuba had in fact obtained the same benefits. However, the charter of this organization (in essence, an international group) had to be amended to provide for a new member that would not use the only and unique service of the organization: the trade and cooperation benefits from EU member states. Cuba's membership in the ACP Group can be compared to belonging to an exclusive golf club without being able to play golf, merely watching others play and walking around the facilities.¹² Seasoned observers point out that this is another example of an EU compromise to accommodate difficult circumstances and to give the impression to the three parties (EU member states, ACP Group, and Cuba) that they have won something in the preparation of Cuba becoming a full member some day.

CONTRASTING EU-US POLICIES

While the EU considers the U.S. policy of Cuba isolation to be antagonistic, counterproductive, and dominated by domestic politics, some observers in the United States deem the European attitude to be immoral and motivated by economic benefits. Susanne Gratius, a leading analyst in the field and the main author of most of the recent research developed by the Institute for European-Latin American Relations (IRELA), has outlined the main axis of conflict.¹³

A Confusing Panorama

On the means employed, the EU prefers an open economic and diplomatic avenue, while the United States opts for isolation and sanctions. The reality is that neither policy has been successful; rather than fostering change in Cuba, these positions have contributed to the political status quo. The EU policy of "constructive

compromise" has not resulted in reforms because it has been neutralized by sanctions from the United States, with the result of circling-the-wagon around Castro. In turn, the US embargo has been neutralized by the EU's economic cooperation with Cuba.

On the objectives to be obtained, the EU seeks a gradual, pacific transition piloted from the top of the system. Helms-Burton aims at a sudden collapse and conditions all future help on the disappearance of the current leadership. The EU promotes Cuba as a potential regional partner, a move that the United States opposes.

On sovereignty, the EU accepts Cuba's right to choose its own system and acknowledges its leadership, whereas the US prefers to deal with sectors of the exile community. While Europe recognizes the nationalization of properties in Cuba, the United States considers them illegal and demands their return. With the ideological purposes of the Cold War gone, EU-US disagreement over Cuba centers around economic interests: to impede a European presence in Cuba is the primary objective of US laws. While the EU deals with the Cuban leadership as the main interlocutor and respects the accomplishments of the revolution, the United States negotiates with the opposition in seeking the destruction of the system.

In this confusing panorama, Europe has proceeded with the dual approach of economic engagement and political conditionality, which was hardened after the fiasco over the post-Lomé membership. This dimension would bring the EU position closer to the US attitude in the event of a combination of developments: the bad experience over Lomé; the convenience of reaching a permanent settlement on Helms-Burton; the conviction that change would not come through a carrot policy; a sort of alliance between the United States and Spain

similar to the arrangement made for the approval of the Common Position; and the help of what is called "Nordic fundamentalism" on human rights.

SUMMARY

The EU policy on Cuba differs from the US attitude in accepting Havana's sovereignty, election of political actors, and recognition of the accomplishments of the revolution. The EU is expected to continue to play a double standard, combining supranational conditioning with "bilateral constructive compromise."

Observers think that complete normalization of European (within the EU framework and not limited to country to country links) relations with Cuba requires not only a consensus inside the institutional framework, but also a leader in the mediation to obtain a common ground. When Spain changed political leadership in 1996, this role vanished, creating a chasm between economic engagement and political divorce with Cuba. In the long term, this division of labor will leave Cuba under US influence once the transition is completed.

Common sense, espoused by independent think tanks and EU officials in off-the-record declarations, leads to consideration of a composite of a potential EU common policy that would be effective in conflict prevention. Such a composite must be based on the strengthening of a political dialogue, coordinated by a special observer in the framework of the Common Foreign and Security Policy (a move that faces financial difficulties), the use of a "Cuban initiative" (following the lines of a British idea), and clear coordination of national policies and programs with special attention to Cuba's outstanding debt problem.¹⁴

All things considered, if the US-Cuba relationship continues to follow the impasse of 43 years while the inexorable biological transition proceeds in Havana,

the EU attitude will not drastically change. The EU as an entity will continue to act in a fashion of conditioning a bilateral agreement to a minimum of progress in the political field, while the Common Position will be reduced to an endorsement of this policy.

In the aftermath of President Jimmy Carter's May 2002 visit to Cuba, this attitude was confirmed by EU Commissioner Chris Patten when he qualified Cuba's respect for human rights as lacking.¹⁵ The bulk of available assistance will be dedicated to a minimum of anchoring Cuba in the market economy.¹⁶

At the same time, a sense of moderate frustration, combined with some resignation, will be the common denominator of the European attitude. This perception will survive provided the Cuban internal situation does not worsen. In the event that the European policy of economic engagement produces the expected results during the road to a definite transition, a sense of satisfaction will be visible.

Meanwhile, each member state will continue to defend its own best interests and historical obligations. Frustration will diminish as long as the emphasis is on lessening the tensions in preparing the way for a peaceful transition, under the

assumption that the future of Cuba is, after all, in the hands of the Cubans. A declaration by the EU Spanish presidency on May 20, 2002, welcoming the Varela Project (an attempt to convert the regime to a democracy by a referendum using existing legal mechanisms) was explicit in this line of thought and widely shared by a majority of the EU decisionmaking and opinion circles: "The project will succeed in opening a debate in favor of the process of a peaceful transition toward a pluralist democracy and reconciled Cuban society."

NOTES

1. See <http://www.europe.ue.int/>.
2. Richard Nuccio, "The USA and Cuba," in Richard Haas, ed., *Trans-Atlantic Tensions: The United States, Europe and Problem Countries* (Washington, DC: Brookings Institution, 1999), pp. 7-29.
3. Eduardo Perera, "Condicionalidad y condicionamientos previos en la cooperación al desarrollo de la Unión Europea," *Revista de Estudios Europeos*, núm. 53/54 (Havana, 2000), pp. 3-33.
4. IRELA, *Revision of the European Policy towards Cuba: Perceptions and Interests of the EU Member States* (Madrid, 2000), p. 1.
5. Nuccio, "The USA and Cuba."
6. Francesc Granell, "Cuba y la Unión Europea:

- del encuadre latinoamericano al ACP caribeño," *Revista Española de Desarrollo y Cooperación*, núm. 3 (Madrid, 1998).
7. IRELA, *Revision of the European Policy*.
 8. *Granma*, 29 abril de 2000.
 9. Interviews carried out by the author in Brussels and the Caribbean, July-August 2000, and confirmed in Brussels in July 2001 and 2002.
 10. This was quoted by a high-level Caribbean government official.
 11. See the statement on the ACP Web site, <http://www.acpsec.org/gb/press/146b034e.html>.
 12. Georgetown Agreement of 1992.
 13. Joaquín Roy and Roberto Domínguez "Cuba: un caso especial en la política exterior de la UE," *Las relaciones exteriores de la Unión Europea* (México: UNAM, 2001), pp. 261-272.
 14. IRELA, *Revision of the European Policy*, p. 2.
 15. "EU would help Cuba more if it saw better respect for human rights," *Sources Say* (Brussels), May 16, 2002.
 16. Confirmed in a meeting between EU Commissioner Poul Nielson and Cuban Vice Minister for Foreign Investment and Economic Cooperation Rodrigo Malmierca (Agence France Press, "Europa ayudará a la economía de mercado," *El Nuevo Herald*, 5 marzo 2002, p. 17A).

Downsizing the Revolution: Sugar, Labor, and Reform in Cuba

by Hans de Salas-del Valle

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The promising agricultural municipality and province of Ciego de Avila (280 miles southeast of Havana) served as the official stage this year for the revolution's annual July 26 celebration. That this site was chosen was not surprising since the region boasted the lowest average

production cost of 322 Cuban pesos (CUP) per metric ton of sugar in the 2001-02 *zafra*, or sugar cane harvest.¹ (This cost is officially equivalent to US\$322, although exchanged at CUP26 to US\$1 to Cuban nationals.) Even so, three of the region's nine sugar mills have closed, the cost to

produce a metric ton of raw sugar at the local Enrique Varona plant has surpassed 380 pesos, and the Patria o Muerte plant awaits conversion to a sugar industry theme park for European tourists.

Meanwhile, on July 26, 2002, markets in New York and London apparently re-

sponded to Fidel Castro's discourse on the "evils of capitalism" as raw sugar traded below \$0.06/lb. and white sugar closed at \$180/ton. For the world's fourth largest sugar exporter with a 3.6 million ton harvest in 2001-02, the US\$441 million that Cuba earned was a \$120 million revenue decline from the preceding year and a mere fraction of the \$4.3 billion that the commodity brought into the state's coffers in the 1989-90 season.

LOW PRICES, LOW YIELDS, AND OVERCAPACITY

High input costs, low productivity, excess capacity, and management inefficiency characterize Cuba's sugar industry. According to former Ministry of Finance Chief Economist Dr. Antonio Jorge, now a leading expert on the Cuban economy at Florida International University, Cuba invests between \$0.12-\$0.20 to produce a pound of sugar. The island's labor-intensive sugar production complex, running on dated equipment and low levels of fertilization, currently yields only 40 tons per hectare of sugar cane cultivation.

In comparison, Mexico generates 74 tons per hectare, and other Caribbean producers yield about 53 tons per hectare. More than 110 sugar-producing countries currently oversupply the global demand. However, only the most profitable industries worldwide thrive domestically and export competitively with the benefit of long-term trade agreements, preferential pricing, and subsidies. The Cuban sugar industry no longer enjoys the Soviet subsidies that literally fueled the sugar mills and guaranteed prices at four times market value in the 1980s.

WORSE OFF TODAY. . .

In a commemoration of socialism's labor day held in Havana on May 1, 2002,

Fidel Castro reminded the million or so people in attendance of the revolution's prized accomplishments in health and education. He starkly contrasted the condition of the island's workforce with that of its Latin American neighbors who toil in "neo-liberal" democracies.

Cuban workers in the audience, however, may have considered their own situation somewhat less favorably in light of Cuba's *sui generis* economic reforms implemented by the technocratic elite after the collapse of the socialist bloc. The legalization of the U.S. dollar in 1993 and other limited and tightly controlled concessions to the global economy ushered in a brave new world for Cuban labor. In many ways, Cubans daily confront the worst aspects of the laissez faire economic shock therapy applied elsewhere in the hemisphere, yet they do so with few, if any, of the countervailing freedoms that liberate and empower the individual as an economic actor. The drama of *resolver* (the struggle to make ends meet, as Cubans colloquially refer to the daily task of fending for themselves) now unfolds with an ever-weaker social safety net to break the fall from Soviet-subsidized socialism.

. . . THAN IN 1989

Even with a recent 30 percent increase in the state's peso salary scale, the average Cuban worker earns approximately five times less today in terms of real buying power than in 1989. As labor in Cuba competes for dollars (to which only 25-30 percent of working Cubans have regular access) with the state, the regime's system of ensuring food rations and other essentials has been undermined by its own foreign exchange exigencies. As a consequence, Cuban workers, paid in virtually token pesos (as noted, CUP26 to US\$1), expend scarce greenbacks at the government's lucrative retail outlets.

Products such as soap, cooking oil, and shoes, previously rationed to all Cubans in pesos, are now available exclusively at state-run stores in U.S. currency only. A sugar cane cutter, or any other of the 75 percent of Cuban laborers who receive their wages wholly in pesos, spends the equivalent of a week's income (about \$5) to buy a liter of cooking oil. There has also been a 10-20 percent increase in the cost of many basic consumables (e.g., milk and toothpaste) at the state-owned "dollar stores" and a 30 percent rise in gasoline prices at the pump. Thus, Havana's official announcement in June to restructure the sugar industry darkened an already dismal outlook for the 4 million workers on the state's payroll, particularly the more than 400,000 directly employed by the Ministry of Sugar (MINAZ).

OVERHAULING CUBA'S SUGAR INDUSTRIAL COMPLEX

According to Ulises Rosales del Toro, Minister of MINAZ since 1997, the government initiated the streamlining and modernization program in March 2002 "to bring the Cuban sugar cane industry in line with the reality of the international market." In the first phase of the restructuring plan, MINAZ, overburdened with a 10 million-ton milling capacity, will close 71 of its 156 sugar mills, commit another 14 to specialize in by-products such as molasses, and transform a select 6 or 7 into museums. Although Rosales del Toro stated that the inactive plants "will remain on standby in the event that the world market improves," idle mills are more likely to succumb to cannibalization for parts and deterioration beyond repair. An equally ambitious land use component of the plan cedes half of the two million hectares (five million acres) presently occupied by sugar cane to the cultivation of

rice and other crops, cattle ranching, and reforestation.

The longer-term modernization and diversification phase scheduled to end in 2004 focuses on R&D to produce alcohol-based diesel fuel blends, plastics, and other derivatives. However, between the immediate cost-cutting objectives and the hope that Cuban science can revitalize Cuban sugar falls a long shadow of uncertainty over the fate of Cuban workers.

GOVERNMENT ASSURANCES

According to Manuel Cordero, head of the official National Sugar Industry Workers Union, the government has organized about 3,000 information and counseling sessions with industry employees across the island to explain in detail the changes ahead and to address workers' concerns. The displacement of 100,000 workers from the sugar industry looms large in the minds of laborers accustomed to job security and continuity. Cordero assured his union members that the state will "guarantee that all sugar workers will continue to receive their wages wherever they are placed."

The regime has also promised educational opportunities as well as the creation of new jobs for the unemployed. About 25,000 will be retrained in agricultural sciences. Nonetheless, as one communist party official expressed, "There are people who do not understand and who do not agree with the restructuring; that's why we have to explain again and again until they do understand."

WORKERS RESPOND

The workers have not been reticent in responding to the life-altering changes.² "I don't like it. I haven't done

anything else for 49 years," said a 65-year-old steam train operator at the Osvaldo Sánchez sugar mill in Havana province. At the Santa Cruz del Norte mill in Camilo Cienfuegos, a couple contemplated their limited options. As the husband, a 54-year-old electrician with 20 years at the plant, acknowledged, "Change affects a person. You have to think about what to do now. But the government has said we won't be left out on the streets." For his 31-year old wife, the realization that she must labor in the fields after 12 years as an electrician's assistant "has been very painful. I love my job. Now it's gone. Gone forever." At the Pepito Tey mill near Cienfuegos, "Men cried when they announced the mill would close," said a 52-year old machinist who had cut cane for 32 seasons. "My heart dropped to the floor." At Pablo Noriega, a mill outside Havana, a woman who was laid off after 20 years said, "Everyone is very worried and sad because this was our support for so many years."

A few look forward to leaving the past behind. In the view of a 25-year-old at the Santa Cruz plant who wants to go back to school, "These changes scared people in the beginning. But we're realizing we have options. I'm going to study." However, not all young workers are optimistic about their career prospects. "Thank God I get money from Miami," confessed a 27-year-old who lost his job at the now closed Australia mill in Matanzas province. "For me and many workers, it's a hard blow. Agriculture and citrus are all that are left for us."

Most workers simply remain perplexed, but out of necessity are ready to bear whatever new burdens are placed on them. Along with employees at mills throughout Cuba who earn between \$0.22 and \$1 per day, a 55-year-old admitted, "I'm not sure what I'm going to do. But

I'll go wherever they send me. I'm not going to stay home."

THE CEO SPEAKS

Castro publicly commented on the reforms and reassured industry workers in a September 16 speech in Havana's Revolution Square: "In the coming weeks, schools will be opened for no fewer than 90,000 workers from the sugar cane sector affected by the downsizing of payrolls resulting from the restructuring of that industry. [The restructuring is] a direct consequence of the extremely low sugar prices on the international market and the considerable net losses in hard currency sustained by the country." He promised that "Workers will receive a decent remuneration based on their previous wages. At the same time, they will be acquiring extensive general and professional knowledge that will raise their self-esteem and be of great benefit for both the workers and the country. For the first time in history, studying becomes a full-time job."³

It is doubtful whether most Cuban laborers share their CEO's enthusiasm for the downsizing of the revolution. Despite the government's early efforts to diversify and industrialize the island's economy, the fortunes of the Cuban sugar industry and the Cuban revolution have been inextricably tied to each other for four decades. A 69-year-old retiree reflected, "The mill was everything" to entire communities. "If you needed to sharpen your knife, you would go there. If you needed some fuel, you could borrow it from the mill. Workers were given their lunch [and provided with health care and education] at the mill, which helped many families."

As the regime implements what is perhaps its most daunting economic reform, it risks alienating one of its historic constituencies. The precedent of 100,000

(Continued on page 8)

State Security Hinders Independent Meeting of Labor Organizations

According to independent labor organizers, state security agents hindered the annual meeting in Havana of Cuba's budding independent labor organizations, just as they had done the previous year. The night before the meeting, held on September 6, 2002, two officers showed up at the designated site in the Arroyo Naranjo municipality and threatened organizers Aleida Godínez Soler and

Alicia Zamora Labrada, who were finalizing preparations for the event. The officers told them that they would be held responsible for any disturbance in the vicinity.

Between 4 a.m. and 7 a.m. on the day of the event, a heavy police presence was deployed around the site. The police intercepted anyone attempting to enter the building, checking papers and questioning their pres-

ence. Several labor organizers complained that they had been turned back by police and escorted out of the area.

Despite the official hostility, labor organizers reported that the meeting was held and a collaboration agreement signed between labor organizations.

Source: Lux Info Press www.cubanet.org, September 6, 2002.

The following letter has been reprinted by permission of the AFL-CIO

September 12, 2002

His Excellency Fidel Castro Ruz
Republic of Cuba
Plaza de la Revolution, Havana, Cuba

Dear Mr. President:

It has come to my attention that on September 6, security agents of your Government directly interfered with the peaceful assembly of the members of the Confederación Obrera Nacional Independiente de Cuba (CONIC).

We understand that two state security agents arrived unexpectedly and blocked the entrance of the building where the CONIC congress was to take place. Of the more than 40 Cuban workers and labor activists who tried to attend the event, only 15 were allowed to enter.

We also understand that the security agents informed all of the workers present that access to the CONIC headquarters was prohibited. The agents demanded and received the full names and identification numbers of the workers present and issued threats against the organizers of the event. We understand that the agents told the workers that they probably would be charged with rebellion and contempt for having appeared at this assembly.

The direct state interference and threats just mentioned constitute flagrant violations of ILO Convention 87 guaranteeing freedom of association, a Convention which your country ratified fifty years ago. These actions contradict statements made by your Government's representative in past ILO conferences, asserting that Cuban workers are entirely free to organize the labor organization of their choice and without reprisals.

The AFL-CIO, representing over 13 million working men and women in the United States, denounces and condemns these violations of freedom and association.

We call on the Cuban government to respect the right of independent labor activists to express their views and to organize freely, including members of the CONIC. A truly democratic government has no reason to fear dissenting and independent viewpoints.

Sincerely,
John J. Sweeney
President, AFL-CIO

(Hans de Salas-del Valle, continued from page 6)

disaffected workers confronting a socialist regime in an era of economic crisis- the example set by Polish labor led by Lech Walesa and the Solidarity free trade union movement at the Gdansk-Sopot-Gdynia strikes in 1980- may haunt Havana's managerial elite and force it to proceed with caution and trepidation. The ingrained pessimism of many workers bodes ill for the expectations of the island's technocrats and agro-industry experts: "If they plant yucca or some other crop instead, I don't think it will survive. Sugar cane is strong. If it does not rain, it still lives. It gets by. It's like us. Like Cubans, it is a survivor." 4

NOTES

1. O. González and P. Batista, "El dedo sobre la llaga de los costos," *Granma*, July 21, 2002. However, according to Manuel Cordero, head of the state-authorized National Sugar Industry Workers Union, reducing production costs to CUP260 (US\$260) per ton is "absolutely essential." Quoted by Spanish news agency EFE, "Some 100,000 Cuban sugar workers will have to find new jobs," Havana, July 8, 2002.
2. Workers' statements culled from interviews with foreign media correspondents in Cuba. See Mary Jordan, "Ending an Era, Cuba Closes Sugar Mills," *Washington Post*, July 29,

- 2002; Tracey Eaton, "Sweet Sorrows for Cuba," *Dallas Morning News*, July 5, 2002; AP, "Cuba undertakes revolutionary overhaul of sugar industry, changing hundreds of thousands of lives," Havana, July 5, 2002; Reuters, "Cuba shuts half its sugar mills," Havana, June 7, 2002; and Vanessa Bauzá, "Cuba closing aging sugar mills as harvests dwindle, prices drop," *South Florida Sun-Sentinel*, June 13, 2002.
3. "Speech Made by Fidel Castro at the Official Inauguration of the 2002-2003 School Year," Revolution Square, Havana, *Granma Internacional* (English ed.), September 16, 2002.
4. See Note 2.

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American Chamber of Commerce of Cuba
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CUBA TODAY

October 2002

Vol. 3, No. 2

Published by the National Policy Association.

This newsletter is made possible through support provided by the Bureau for Latin America and the Caribbean and the U.S. Agency for International Development. The views expressed by the authors are their own and do not necessarily represent those of USAID, NPA, or the member organizations of the Cuba Working Group.

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JANUARY 2001

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NATIONAL
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Policy solutions for the 21st century

VOL. XXII, NO. 2

LOOKING AHEAD
JANUARY 2001
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Looking Ahead (ISSN #0747-525X) is published quarterly by the National Policy Association, 1424 16th Street, N.W., Suite 700, Washington, D.C. 20036-2229. Tel (202) 265-7685 Fax (202) 797-5516; e-mail npa@npa1.org; Internet www.npa1.org. Copyright 2001 by the National Policy Association. Short questions with appropriate credit are permissible. Opinions expressed by the authors are their own and do not necessarily represent the views of their organizations or of NPA.

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AN NPA PERSPECTIVE

Looking Back and Looking Ahead

*by Anthony C.E. Quainton
NPA President and CEO*

The year 2000 was one of vigorous reorientation at NPA, reflecting an exciting cycle of project and committee activity. Throughout 2000, NPA sought to build on its long-standing commitment to common ground, social and economic equity, and policy relevance both domestically and internationally. Its successes were many.

Highlights included a major conference on income inequality and the social determinants of health, which investigated the policy dilemmas posed by the correlation between socioeconomic status and health outcomes. An important publication on this topic has been released, *Income, Socioeconomic Status, and Health: Exploring the Relationships*. NPA published another major work, *New Directions: African Americans in a Diversifying Nation*, that throws substantial light on the reality and causes of the significant social and economic gaps between Black and White Americans. In looking to the future transition to a democratic Cuba, a U.S. Agency for International Development-funded project on worker rights and best business practices has engaged a growing policy constituency in thinking about global corporations' responsibility to help create the conditions for a democratic Cuba. The project has been funded for an additional year.

Although this issue of *Looking Ahead* gives particular saliency to Cuba, this topic is only a small part of NPA's policy horizon. Seminars on global warming and American competitiveness and trade policymaking after Seattle have drawn wide audiences. NPA's policy committees have taken on subjects as diverse as e-commerce, biotechnology, and the North American infrastructure. We will continue to explore these issues in 2001.

But 2001 will also take NPA into new areas. We will sponsor conferences on "Relaunching the North American Agenda" and "OECD Guidelines for Multinational Enterprises." Under a grant from the Federal Mediation and Conciliation Service, we will hold regional conferences on the digital divide with substantial participation from business and labor.

These varied activities are just a sampling of what lies ahead for NPA's growing list of members and supporters. We welcome all of our readers to join in support of this ambitious agenda as we continue to seek common ground in the new economy and policy solutions for the 21st century.

NPA's Role as Consensus Builder

by John T. Dunlop

The National Policy Association presented its Gold Medal Award to John T. Dunlop, Lamont University Professor, Emeritus, Harvard University, and Peter G. Peterson, Chairman, the Blackstone Group, on November 20, 2000, at a dinner at the Pierre Hotel in New York City. NPA's Gold Medal is presented annually for exceptional leadership in promoting a more produc-

tive and just society. Dr. Dunlop and Mr. Peterson exemplify the spirit of the award by their extraordinary contributions to America over the years. Dr. Dunlop, former U.S. Secretary of Labor, is an NPA Trustee and a member of NPA's Committee on New American Realities. The following remarks have been excerpted from Dr. Dunlop's acceptance speech.

I am grateful to the National Policy Association for this signal award. I am honored to be in the company of so many friends, associates, and colleagues in labor-management-government roles who have held this award. Among the honorees from business are Pete Peterson, of course; Chuck Lee, GTE Corporation; Paul O'Neill, Alcoa; and Paul Allaire, Xerox; from labor are John Sweeney, AFL-CIO; Jack Sheinkman, Clothing and Textile Workers; and Lynn Williams, Steelworkers; and from government are Nelson Rockefeller, New York Governor; and George Shultz, U.S. Secretary of State. In these conflicted times, it is reassuring to be long associated with an organization representative of business, labor, agriculture, and academia that is dedicated to building reasoned discourse, candid exchanges, and consensus across parochial boundaries and provincial ideologies.

I am also grateful to Robert Georgine, formerly President of the Building Trades and currently President and Chief Executive Officer, ULLICO, for his kind introductory remarks. We two are veterans of years of labor-management-government activities and occasional conflicts.

A LOOK AT NPA'S PAST AND FUTURE

At an NPA meeting in 1946, Clinton Golden, then Vice President of the Steelworkers, said: "In my opinion, the time has come when, instead of looking into the causes of conflict that we know and hear so much about, we ought to discover how much peace there is and what makes peace." In the midst of the post-World War II industrial, legisla-

tive, and political turmoil over labor-management-government roles—strikes, inflation, and Taft-Hartley amendments to the Wagner Act—NPA established a Committee on the Causes of Industrial Peace Under Collective Bargaining in 1947 with Clint as Chair. I was one of 29 members from business, labor, and academia. The committee published 13 influential case studies demonstrating that harmony between labor and management is not only possible, but essential to planning. NPA published the final committee report in 1953, and I wrote one of six chapters. Thus began my association with NPA 53 years ago.

Now to the future. In today's often splintered society with the high costs of litigation and delays, the negative consequences of warfare on relationships and outputs warrant increased attention to all means of dispute resolution and consensus building. This has been the traditional role of NPA as applied to a wide variety of issues. NPA recently released a volume, edited by Professor James S. Jackson of the University of Michigan, entitled *New Directions: African Americans in a Diversifying Nation*, that examines one of the deep divides in society.

Do not misunderstand me: I am not against all conflict and tension. Much of it is essential to dispute resolution and problem-solving. Where would we neutrals be without it? Too often, however, differences and on-going nationalism and power relations foreclose continuing discourse, give and take, and attention to common interests. We see these



Dr. Dunlop (R) accepts NPA's Gold Medal Award from NPA Chair Moeen A. Qureshi, Chairman of Emerging Markets Partnership, and Anthony C.E. Quainton, NPA President and CEO. (L) Robert H. Georgine, President and CEO of ULLICO, introduced Dr. Dunlop.

conflicts today in approaches to international trade, uses of the Internet, workplace relations, the use of genetically developed grains and other foods, and health care and the complex relations among providers, insurers, and the individual as a patient. These issues are all grist for the NPA mill.

The skills and techniques of consensus building rely on forums for serious discussion and private exchanges, informal or more structured findings of the true nature of problems, and hard facts and stern reality. Consensus building requires quiet candor to flourish. It needs participants, ordinarily those in leadership roles, from both sides of a rift: it cannot be achieved by a neutral alone awarding consensus.

Consensus building is the highest form of dispute resolution because a wide range of detailed controversies are bridged, rather than only a particular dispute resolved, with others to follow. Such is the challenge to NPA for the future in new times and fresh problems, or old ones in new attire.

Toward Best Business Practices for Foreign Investors in Cuba

by **Anthony C.E. Quinton**

President and CEO, National Policy Association

and **Kaylin Bailey**

NPA International Program Associate

With consumer awareness rising and socially responsible corporate policies gaining international attention, the National Policy Association is focusing on best business practices for foreign investors in the Republic of Cuba. The concept of promoting human rights through the private sector is, of course, not new. Private sector adherence to the McBride Principles (1984) resulted in the establishment of fair labor practices in Northern Ireland. The Sullivan Principles, issued in 1977, ultimately contributed to the downfall of apartheid in South Africa.

NPA first took up the issue of worker rights in Cuba in 1997 under the auspices of its North American Committee (NAC), a group of senior business and labor leaders from Canada, Mexico, and the United States. Today, with the collective effort of an international Cuba Working Group, NPA is working to persuade current and future

investors in Cuba voluntarily to adopt best business practices and to use their leverage with the Cuban government to promote worker rights.

CUBA'S LABOR STRUCTURE AND LACK OF WORKER RIGHTS

Although Cuba has ratified International Labor Organization (ILO) Conventions 87 (Freedom of Association and Protection of the Right to Organize) and 98 (Right to Organize and Collective Bargaining) and Cuba's constitution guarantees the freedom of association and assembly, Cuba has the worst worker rights record in the Western Hemisphere. These rights are severely constrained, with the officially sponsored Confederación de Trabajadores de Cuba (CTC) the only legitimate association of workers under Cuba's labor code. The CTC is an organization of state-run, state-sanctioned labor unions. As Cuban labor expert Efrén Córdova describes it:

The CTC is not a legitimate workers' organization, but an appendage of the government and the Communist Party. It has never been a forum for open discussion, criticism, proposals, or alternatives to the official line. At none of its meetings have demands ever

This article has been updated from Mr. Quinton's address to the 10th Annual Meeting of the Association for the Study of the Cuban Economy, August 4, 2000, in Coral Gables, Florida. The article was co-authored by Kaylin Bailey, who is also Director of the North American Committee and of NPA's Project on Worker Rights and Best Business Practices in Cuba.

“With the collective effort of an international Cuba Working Group, NPA is working to persuade current and future investors in Cuba voluntarily to adopt best business practices and to use their leverage with the Cuban government to promote worker rights.”

been proposed or complaints lodged; it serves only as a sound box for the regime's demands and a transmission belt for political watchwords and production plans.*

Because the CTC is mandated to promote the struggle for the defense of socialism and its principles, CTC members must belong to the Cuban Communist Party. This factor alone narrows the scope of worker rights in Cuba; it allows workers the “freedom” to be part of the government-run union—or to remain unrepresented. Thus, in the normal sense of the word, Cuban labor is not free. These conditions have caused great concern among human rights organizations and socially responsible businesses worldwide.

Cuba's labor structure presents many problems for the Cuban worker. The government repeatedly ignores requests from independent worker groups for legalization. Because workers are deprived of the freedom of association, they lack a forum for collective bargaining in both the public and the private sector. Foreign investors are required to hire workers through a government agency, which screens workers according to their *expedientes laborales* (labor record) and often uses political affiliation as a criterion for employment. Jobs in the private sector, which have better pay and benefits than state sector jobs, are usually reserved for Cuba's system of indirect payment requires foreign investors to pay employees through the sieve of government hands, which results in an actual wage in pesos of between 5 and 10 per-

cent of the original dollar amount paid by the company. Many foreign investors recognize that the indirect payment system leaves most workers struggling for the means to buy basic necessities. Companies thus often provide their Cuban employees with a small basket, or *javita*, of soap, toothpaste, fruit, vegetables, or dry goods in an attempt to compensate their miniscule wages. While the distribution of *javititas* is a positive, albeit small, step on the part of foreign investors, a fairer system of direct payment to workers would eliminate this need.

NPA'S PROJECT ON WORKER RIGHTS AND BEST BUSINESS PRACTICES IN CUBA

In July 1997, NPA's North American Committee issued “Principles for Private Sector Involvement in Cuba.” The NAC believes that the private sector should have a role in advancing the three member countries' commitment to democracy, human rights, and the betterment of the lives of the Cuban people. The NAC Principles include a safe and healthy workplace; fair employment practices; direct employment of workers; the right of workers to organize and bargain collectively; a workplace that allows freedom of expression; and the strengthening of legal processes in Cuba. These Principles are similar to the more elaborate Arcos Principles (1994), named after one of Cuba's leading human rights activists, Gustavo Arcos.

To promote the NAC Principles more vigorously in a country whose structure impedes worker rights, NPA received a \$225,000 grant in October 1999 from the U.S. Agency for International Development to carry out this project on Worker Rights and Best Business Practices in Cuba. NPA has recently received a substantial extension of the grant, which will enable project activity to continue well into 2002.

*Efrén Córdova, “Labor Conditions in Revolutionary Cuba,” *Modern Slavery: Labor Conditions in Cuba*, Institute for Cuban and Cuban-American Studies, Occasional Paper Series (April 2000).

Cuba Working Group

As part of this project, NPA has formed an international private sector Working Group on Best Business Practices in Cuba. Rather than holding homogeneous views on the situation in Cuba, each member organization contributes its unique perspective. The group comprises business, labor, and human rights organizations from Europe, Canada, Mexico, and the United States:

AFL-CIO American Center for International Labor Solidarity (ACILS);
 American Chamber of Commerce of Cuba in the United States (AmCham Cuba);
 Consejo Mexicano de Comercio Exterior (COMCE);
 The Conference Board of Canada;
 Florida International University;
 Instituto Tecnológico Autónomo de México (ITAM);
 National Policy Association;
 Pax Christi Netherlands;
 Prince of Wales Business Leaders Forum;
 United Food and Commercial Workers International Union (UFCW);
 United States Chamber of Commerce;
 U.S. Cuba Business Council; and
 Confederation of Netherlands Industry and Employers (VNO-NCW).

Voluntary Investment Principles

The Working Group believes that the international private sector can play a vital role in promoting open, free market institutions and adherence to universal standards of human rights in Cuba. The

“Such socially responsible and internationally accepted business practices can foster human rights and, ultimately, a more productive workforce.”

Working Group therefore issued “Principles for Private Sector Investment in Cuba.” These are based on the NAC Principles, as well as on the Arcos, Sullivan, McBride, and other socially responsible principles that have been a catalyst for progress in nondemocratic societies. The Cuba Working Group is encouraging the private sector voluntarily to adopt the following basic Principles:

- respect workers’ rights to organize freely in the workplace and to choose a union to represent them in negotiations with management, in accordance with ILO Conventions 87 and 98;
- maintain a corporate culture that respects free expression consistent with legitimate business concerns and does not condone political coercion in the workplace;
- work to gain the right to recruit, contract, pay, and promote workers directly, not through government intermediaries;
- employ socially responsible employment practices, including the avoidance of child and forced labor and discrimination based on race, gender, national origin, religious beliefs, or political beliefs or affiliation, in accordance with ILO Convention 111;
- provide a safe and healthy workplace, consistent with the principles of sustainable development; and
- support the strengthening of legal procedures, encouraging respect for due process, human rights, and the international conventions of which Cuba is a signatory.

Such socially responsible and internationally accepted business practices, the Working Group believes, can foster human rights and, ultimately, a more productive workforce. The Group recognizes that the situation in Cuba is dynamic and that the challenges facing private sector involvement are many. While operating in a manner consistent with current Cuban laws and regulations, companies should nevertheless respect, to the extent possible, fundamental worker rights and advocate changes in laws where adherence to these rights is not possible. Most of the Principles apply to other countries as well, and the Working Group has urged all companies to conduct their worldwide operations with these guidelines in mind.

The Cuban government is in critical need of hard currency, and foreign investors are meeting a significant part of that need. With this fact in mind, many

*“An essential first step toward democracy
and human rights for all Cubans
is the development of a free and
independent labor movement.”*

members of the Working Group believe that companies choosing to invest in Cuba can and should use their financial power to promote fundamental worker rights, particularly given the reality that the Cuban people have a limited voice in these issues.

Other Activities of the Cuba Working Group

The NPA Cuba project hosted an international conference on “Worker Rights and Best Business Practices in Cuba” in June 2000 in Mexico City and will hold a second one in Montreal in June 2001. The main focus of these conferences is to increase awareness of the current labor situation for foreign investors in Cuba and to promote the NAC and the Working Group Principles. Speakers’ endorsement of these Principles was an indication that responsible private sector involvement can be an effective way to promote democracy and human rights.

Presenters at the 2000 conference included Gare Smith, Attorney at Law, Foley Hoag & Eliot; Howard Sullivan, Global Sullivan Principles and son of the Reverend Leon Sullivan; Ambassador Otto Reich, President, U.S. Cuba Business Council; Benjamin Davis, Coordinator, Americas, American Center for International Labor Solidarity; Francisco León Delgado, Senior Visiting Fellow, Institute for European-Latin American Relations; and Pedro Pérez Castro, Secretary of International Relations, Solidarity of Cuban Workers.

In accordance with Section 109 of the Cuban Liberty and Democratic Solidarity (Libertad) Act, the Working Group is actively seeking contact with independent or so-called dissident groups on the island and, to the extent possible, to disseminate translated materials on worker rights to Cuban nationals. The Working Group is building these contacts mainly through organizations such as the Solidarity of Cuban Workers, based in Caracas, Venezuela. Unfortunately, the Cuban government has not authorized members

of the Working Group to visit Cuba to solidify relationships, to learn more about Cuba’s independent labor movement, and to establish direct contact with foreign investors on the island.

American Investors

Congress has recently reviewed and reaffirmed the U.S. embargo against Cuba. Current U.S. law prohibits American business from investing in Cuba until a democratic transition has taken place. It is clear, however, that at some point in the future, American business will reenter Cuba. While the Working Group’s efforts are primarily focused on Mexican, Canadian, and European investors, the Group is also beginning to lay the foundation for basic worker rights in anticipation of the eventual transition to a democratic Cuba. In preparing for that transition, it is vital that U.S. companies are involved in the efforts of the Working Group.

CONCLUSION

There can be no illusion about the difficulty of affecting change in Cuba. The ILO has no real power to enforce international labor law, although it can publicize labor rights abuses as a means to bring about change. Castro’s refusal to grant basic human rights or to adopt economic measures that would benefit the Cuban people suggests that publicizing abuses, while necessary, will not be sufficient to influence the Cuban government. Instead, we must work from the bottom up to encourage business, labor, and human rights groups to collaborate in support and encouragement of the organization of independent labor groups within Cuba. Foreign investors on the island can be urged to promote change. An essential first step toward democracy and human rights for all Cubans is the development of a free and independent labor movement.

Promoting a Dialogue on Worker Rights in Cuba

by Benjamin Davis

*Coordinator, Americas,
American Center for International Labor Solidarity, AFL-CIO*

The AFL-CIO's broad approach to issues of investment and trade can be summed up in its Campaign for Global Fairness. Contrary to what many believe, the AFL-CIO is not opposed to trade or investment. We recognize that the livelihood of millions of our members, as well as millions of workers in Latin America, depend on investment and trade. We oppose, however, the rules for investment and trade that exclude workers, civil society, and even elected representatives from the rule-making process and that disregard fundamental human rights such as freedom of association. We have consistently opposed trade agreements that deny workers a seat at the table.

We have also consistently argued that the debate about globalization cannot be a debate just about trade. We support debt relief for developing countries. We advocate that a greater share of the U.S. budget must be devoted to foreign assistance. Furthermore, we believe the policies and practices of international financial institutions must be fundamentally reformed to move away from a single-minded reliance on the privatization, flexibility, and deregulation of labor markets. Instead, these policies and programs must focus on a broader approach that brings civil society into the decisionmaking process, protects basic social rights such as health care

and education, and preserves the rights of nations to regulate capital flows across their borders.

The experience of transition in eastern Europe has had disastrous consequences for workers. Cuba's transition must follow a different path of development—one that is democratic, equitable, and sustainable.

FOREIGN INVESTMENT IN CUBA

Investment has significantly increased in Cuba since it relaxed restrictions on foreign investors by enacting Law 77 in 1995. The March 1999 figures from the U.S.-Cuba Trade and Economic Council show foreign investments of more than \$6.1 billion, of which about \$1.8 billion have been committed or delivered. The leading investment countries are Canada, Mexico, Italy, and Spain. Much of this investment has gone into joint ventures with entities controlled by the Cuban government. In September 1998, there were at least 154 such ventures, employing 135,000 workers. Key investment sectors are nickel mining, tourism, and oil and gas production. In addition, a number of export processing zones were created after enactment of Decree-Law 165 in 1996. A law permitting the establishment of free trade zones was also approved in 1996. Three zones now exist, with two more under construction.

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WORKER RIGHTS VIOLATIONS

The serious problems of human rights violations in Cuba have been well documented by the United Nations (UN) Human Rights Commission, Human Rights Watch, and other sources. Cuba's record reveals several major problems concerning worker rights.

One is the basic denial of the freedom of association. Representation of workers is monopolized by the Confederación de Trabajadores de Cuba (CTC), whose leadership is restricted to Communist Party members. Cuba's Labor Code specifically refers to the CTC as the “sole representative” of workers in the state sector. In practice, a worker must be affiliated with the CTC to work in a state enterprise, including the export sector. While the Labor Code permits the existence of independent labor organizations, and some exist, none has been granted legal recognition, and their leaders have been subjected to constant threats and harassment.

Resolution 18/90 of the State Committee on Labor and Social Security establishes workplace committees on the selection, evaluation, and promotion of workers. In the foreign sector, these committees include representatives of the enterprise, the official union, the State Employment Agency, and the workers. The International Labor Organization (ILO) has found that, in practice, these committees function to deny employment to workers whose ideology is suspect. A separate standard of conduct is established for workers in tourist industries under Decree-Law 122. While compensation is higher in this sector, special disciplinary requirements apply.

Another problem area is that political control extends to economic control over the workforce. Under Law 77, the basic law governing foreign investment, the State Employment Agency hires workers

and then contracts with the joint ventures to provide workers to the ventures. The state decides which workers are assigned to which enterprise, and the state receives their salaries in hard currency. However, the workers receive pesos that are worth far less—on average, about 4 percent of the dollar value of their labor. The government retains almost all of the difference. This arrangement violates ILO Conventions 111 and 95. Furthermore, employment in the foreign investment sector allows favored workers to gain incentive bonuses and tips in hard currency.

The drive to increase exports has led to harsher working conditions for most Cuban workers. Under Decree-Law 187, “General Rules for the Improvement of the Business System,” the military system of *perfeccionamiento* (perfecting) establishes strict discipline while attempting to increase the motivation and productivity of the workforce. Currently, about 95-125 workplaces operate under the system, but by 2002, almost 2,000 workplaces, including those in the foreign investment sector, will be under it. Furthermore, as part of the drive to stimulate productivity, widespread use of “voluntary” unpaid overtime in the export sector has been reported.

AFL-CIO POLICY ON CUBA

The AFL-CIO's policy regarding Cuba states:

While the AFL-CIO would like to see an end to U.S. economic sanctions against Cuba, we will support this step only in response to a demonstrable improvement in Cuba's human and worker rights practices. Specifically, any relaxation in the relevant sanctions should be carefully calibrated to reflect improvements in the Cuban government's respect for freedom of association, the right to organize and bargain collectively, adherence to the core ILO

“While the AFL-CIO would like to see an end to U.S. economic sanctions against Cuba, we will support this step only in response to a demonstrable improvement in Cuba’s human and worker rights practices.”

Conventions, and movement toward free and fair elections, democratic government, and the rule of law.

The Executive Council approved a resolution in October 1999, that called on the U.S. government, on humanitarian grounds, to “amend its economic embargo to permit sending medicine, medical supplies, and food to the island, with a special effort to deliver these through organizations like the church and other groups not directly part of the Castro government.” The resolution renewed the call on the Cuban government to release all political prisoners, legalize all political parties, grant recognition to independent labor unions and their activities, and hold free, fair, democratic, and internationally supervised elections.

BEST BUSINESS PRINCIPLES

Many governments and employers recognize that a global economy without rules to protect the fundamental rights of workers is morally objectionable and politically imprudent. The best evidence of

this change is the ILO’s unanimous adoption of the Declaration of Principles and Rights at Work. Foreign investors are increasingly paying attention to best business principles, especially worker rights. Various models of business principles in Cuba have been proposed, including the Arcos Principles, Pax Christi’s guidelines, the Council on Foreign Relations’ recommendations, and the Cuba Working Group of the National Policy Association’s principles.

The AFL-CIO believes that it is important to open a dialogue with foreign investors in Cuba, with trade unions in their countries, and with the investors’ governments on the importance of worker rights in Cuba—above all, freedom of association. The ILO can play a key role in promoting and developing this dialogue. While investors may reap short-term profits from their collaboration with the Cuban regime, in the long term neither they nor Cuban workers benefit from a system that subordinates freedom of association to one-party control. This is why it is important to begin a dialogue now. The future of Cuban workers is too important to be dictated by the whims of the global marketplace.

“It is important to open a dialogue with foreign investors in Cuba, with trade unions in their countries, and with the investors’ governments on, above all, freedom of association.”

Foreign Investment and Labor Relations in Cuba: Challenges of an Upgrading Strategy

Francisco León Delgado

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Labor relations and foreign direct investment (FDI) policies of socialist countries that have entered the global economy since the end of the Cold War have differed in terms of economic models, reentry conditions, and openness to change. Each country's international reentry and transformation process has created its labor rights strategy. Cuba is no exception.

This article departs from the argument that the solution to Cuba's political, economic, and labor problems will come only through a sudden change from a socialist to a market economy and the transformation to democracy. Instead, the article identifies the problems and options facing Cuban leaders in adapting the socialist model to more open labor policies. Alternative strategies in upgrading labor rights in the context of FDI are also examined.

CUBA'S SOCIALIST MODEL AND LABOR RELATIONS

The Cuban Socialist Model

After the Cold War, Cuba, China, North Korea, and Vietnam maintained their one-party, mass organization, and revolutionary army socialist systems. But they introduced changes in their economic model designed to facilitate reentry into the global economy.

During the Cold War, China and North Korea were marginally dependent on the international Council for Mutual Economic Assistance (CMEA), in contrast to Cuba's and Vietnam's close relations and heavy economic dependence. The collapse of CMEA in 1989 consequently had a major effect on Cuba and Vietnam. Moreover, China's economic transformation and reentry into the international system had begun in the 1970s, and Vietnam's in the 1980s. Both attained a sustained process of international reinsertion and accelerated economic growth during the 1990s. Cuba and North Korea, on the other hand, remain in the early stages of economic transformation. Under persistent and reinforced U.S. economic sanctions, their access to FDI from market economy countries has been limited, and their economic growth rate, even if moderate, is far from sustained. Cuba's economic performance has been better than that of North Korea, which remains in a deep economic recession. Cuba overcame its economic crisis successfully in 1994-95, initiating moderate but unstable economic growth thereafter.¹

Universal access to employment, education, basic health care, food, and housing characterize socialist economies. In China, North Korea, and Vietnam, the majority of the population is rural, and employment and basic food

and housing needs are provided through agricultural production units to workers and family members. Retired elders are in charge of the family. In these three countries, urban workers' education, health, housing, and social security are primarily the responsibility of state-owned firms.

In Cuba, 70 percent of the labor force is made up of salaried workers, who are employed by the state. The state provides basic food, social services, housing, and social security for all workers, including the urban self-employed, family members, and private agricultural producers. While differences in salaried incomes are increasing in Cuba, the highest paid worker earns only five times more than the lowest paid. The quality of food, services, and new houses is relatively homogeneous, and quantity differences vary by age group or family composition. In China, North Korea, and Vietnam, the quality and quantity of basic necessities are based on the policies and economic situation of employers.

While Cuban citizens' economic and social rights are similar to those in the former Soviet and east European socialist systems, Cuba is an underdeveloped economy with two to three times the labor force growth and employment and labor income needs; thus, the financing and provision of these benefits differ from the east European and Soviet economies. Per capita income and worker and human resource investment (in, for example, education and health) have surpassed those of most other underdeveloped countries. Cuba's leadership views

"The severe adjustment program adopted to address the economic crisis in 1989-94 required containment of government expenses, particularly those related to social services . . . and drastically reduced the monthly ration of subsidized food and consumer products."

these facts as the revolution's major attainment (*conquista*) as the country advanced from socialism to communism.

Economic Crisis and Transformation

In Cuba, China, and Vietnam, family income inequality and well-being are major concerns, but policies to distribute income differ. In China and Vietnam, property and investment revenues are major causes of inequalities in income distribution. China and Vietnam allow their citizens to own private property and to invest in firms; in Cuba, ownership and investment are limited to foreigners and to nationals in small, strictly regulated firms.²

Emigrants' monetary remittances are authorized in all three countries. However, the influence of remittances on income inequality is less, but still relevant, in Cuba because the U.S. government limits the amount that Cuban Americans—the largest Cuban population abroad—can send to their families in Cuba. The Cuban government also limits remittances from nationals temporarily working in third nations.

The major shortcoming of the Cuban government's growth and stabilization program from 1993 to 1996 was insufficient net total national investment, which, after a drastic reduction in 1991, reached 8 percent of gross domestic product (GDP) in the second half of the 1990s. A substantial increase in FDI as well as in foreign currency revenues from tourism and family remittances abroad did not close the sustained balance-of-payments deficit during the period. The government was forced to ask foreign investors and governments to convert short- and medium-term external debt obligations. As a consequence, employment and labor income generation in the past five years has not reached all sectors of the labor force. In fact, real wage levels fell for females (age 25-55) and youths (age 18-25) in 1991 compared with levels in the 1980s.³

In this context, direct employment generation and increased productivity levels from FDI led to the creation of 140,000 jobs. The overall impact on state enterprises, services, tourism, and the export sector was limited. Employment and productivity generation, other than in FDI-related enterprises, came mainly from urban self-employment and small enterprises, small private agricultural producers who are part of the newly created Basic Units for Cooperative Production (UBPC), and the tourism sector's state enterprises. However, this income generation has not compensated for the decrease in employment and

“The existing restrictive labor regulations and the unpopular privileged conditions of employees in the joint enterprises present serious obstacles to efficient management and international competitiveness.”

productivity in state enterprises or in the export and nontrade sectors.

The severe adjustment program adopted to address the economic crisis in 1989-94 required containment of government expenses, particularly those related to social services such as education. This austerity program also drastically reduced the monthly ration of subsidized food and consumer products,⁴ housing construction, and social security benefits to the point that those benefits provided considerably less than minimum subsistence. Even though the government made an extraordinary effort to increase the share of social expenditures as a percentage of GDP (from 24 percent in 1989 to 30 percent in 1998) at the expense of capital formation, the amount received by the population was 20 percent lower in real terms because of substantially reduced economic activity during the period.⁵ Primary social expenses (in education, health, culture, housing, and sports) were 29 percent, but social security, social welfare, and consumption subsidies increased 42 percent.⁶

In fact, to maintain a fundamental Cuban socialist principle, the total amount received by the population from state-guaranteed social and economic programs still surpassed the total income received by salaried and self-employed workers. However, part of the benefits were direct transfers to alleviate the shortages of basic needs for highly vulnerable segments of the population (children under age five, the elderly, and pregnant and child-rearing women). Nonetheless, the benefits did not guarantee an overall improvement in the welfare of all of the population. The government's emphasis on distributive equity through state controls on income and social services, including social security and welfare, was tremendously costly both politically and socially. Further, the low level of these benefits, compared to those that Cubans received in the 1980s, resulted in high levels of illegal emigration.

Labor Relations and FDI

In terms of labor relations and the structural changes in the economy,⁷ the government's adjustment program focused on efforts to maintain welfare and equity levels and led to the adoption of a set of measures, inspired by the experiences of other socialist countries (e.g., China). The most significant measures were:

- State control of the selection and placement of salaried workers in state-foreign joint ventures and of workers temporarily working abroad.
- State monopoly of the income paid workers in foreign currency. Workers are paid in Cuban pesos and, since 1995, partially in “convertible” pesos, with the state keeping a substantial proportion of the total labor income in real terms.⁸ In terms of compensation, the state pays social security and other obligatory contributions, such as unemployment compensation, or provides workers with employment at the end of a contract and guarantees access to education, health, and other benefits.
- Supplementary payment in convertible pesos to some categories of workers, particularly those employed in export-oriented firms and public utilities (electricity generation and distribution).⁹
- Assignment of military personnel on a nonpaid basis to work in commercial activities.

As part of the one-party political regime, the government created an official national labor organization, the Confederación de Trabajadores de Cuba (CTC). At the enterprise and regional levels, the labor representatives are elected by all salaried workers, and those local representatives elect the national federation representatives and the CTC leadership. As in other socialist countries, Communist Party con-

trol works through the establishment of candidate lists and CTC acceptance of Party Councils and Congress resolutions.

Since the 1990s, the Cuban Communist Party and state authorities have assigned the CTC the role of organizing and conducting national "consultations." Some important consultations have concerned fiscal reform (1994) and political and economic reform of the socialist model (1991). The fiscal reform consultation resulted in workers' rejection of the proposed labor income tax. The more general socialist model reform proposals and evaluation results have never been made public.

Workers in the FDI state-joint venture enterprises or those who are partially paid in convertible pesos represent 35 percent of the total salaried labor force and 50 percent of the urban self-employed and small agricultural producers. These workers are, in terms of labor conditions and income, the most privileged segment of the labor force. Because of these special conditions, workers in other sectors resent the government's assignment of workers and salaries. The government also found it difficult to justify the inequalities derived from emigrant family remittances.¹⁰ As a result, the government adopted certain compensatory measures, particularly in the second half of the 1990s, including:

- Overpricing in state shops that sell products in U.S. dollars or convertible pesos and the assignment of those receipts to finance free or subsidized products for highly vulnerable segments of the population (e.g., imported milk for children under age five).
- Systematic tax increases on urban self-employed individuals and on small family firms even if the tax hikes deterred employment generation.
- Promotion of the temporary outmigration of highly qualified workers (e.g., physicians) on state-sponsored jobs or contracted labor services with foreign governments and firms.

UPGRADING LABOR RELATIONS AND THE ROLE OF FDI: ALTERNATIVES AND CHALLENGES

Workers, Government, and FDI Problems

Given these policies, it would be extremely difficult for the Cuban government to carry out the economic and social reforms that many in the interna-

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tional community and the Cuban population are calling for and explains why the government's external prestige and ability to govern have been eroded. Blaming U.S. economic sanctions for the government's shortcomings may help the state politically and reinforce nationalism as well as anti-U.S. sentiment in Cuba and in segments of the international community. However, such a strategy does not help Cuba overcome existing obstacles to economic growth or address the problems of the Cuban workers and Cuban society in general.

The current restrictive labor system is not in the interest of the Cuban government, the Cuban people, or the foreign investors operating in the country. The existing regulations and the unpopular privileged conditions of employees in the joint enterprises present serious obstacles to efficient management and international competitiveness. In practical terms, the right to fire an employee does not compensate for a firm's limited rights in hiring. As a consequence, the labor system is a negative factor for foreign investors, notwithstanding the high quality of human resources in Cuba.

According to most analysts, Cuba needs a second wave of reform or a structural transformation oriented toward a progressive export program that will increase Cuba's access to diversified international markets, especially in Europe and Latin America. Cuba also needs to maintain the flow of commerce with Russia, China, and other socialist economies. The main obstacles to such a scenario are the Cuba-U.S. political impasse and the interest groups in both countries that oppose reconciliation and the opening up of Cuba's economy.

"The emergence of a nonsocialist civil society, implied in the radical alternative, would obviously present a major challenge for the Cuban socialist system, a challenge that would serve as a measure of Cuba's ability to conform to universally established democratic rules."

Alternatives

In the framework of this impasse, Cuban authorities interested in accelerating economic growth and improving labor relations face the alternatives of instituting either a moderate-progressive improvement program or a fundamental but risky change.

The moderate-progressive improvement option would involve the adoption of general rules for labor relations rather than acting on a case-by-case basis. The rules would introduce predictability and transparency into an increasingly homogeneous joint enterprise sector. This alternative would permit the gradual replacement of the government-administered recruitment process and the establishment of an intermediary role for foreign capital management in joint ventures. The moderate-progressive alternative would reduce investor risk and facilitate the attraction of FDI in labor-intensive activities, such as assembly industries, in the recently created free trade zones. This option would increase management efficiency and labor productivity and establish a flexible, legally regulated labor incentive system for the joint venture sector. Firms would pay contributions for social security, unemployment insurance, and other labor-related state-provided benefits, and the excess income differential of workers would be regulated by a tax on revenues. Trade unions at the state-joint venture level would be able to negotiate labor conditions and salaries within the limits established for the entire sector by national authorities.

The fundamental structural reform alternative would address both current savings/investment insufficiencies and the increasing inequality in labor conditions and productivity among economic sec-

tors. Instead of limiting reform to the state-joint venture sector, this option would aim to introduce an integrated approach to labor market conditions and productivity in the medium term, as well as to create labor relations mechanisms and regulations for the overall economy. Taking into consideration an aging population and rising social security costs over the next 10 years, as well as the need for productivity increases to maintain international competitiveness and to satisfy the public's expectations that have been stymied since the 1990s, a high productivity-labor income model would be implemented.¹¹ The groups considered to have the highest potential for productivity and investment growth are the state-joint ventures, the export sector, urban self-employment, and urban and rural small enterprises (including private agricultural producers). The proposal would accelerate growth in the state sector by direct or indirect transformation. Assuming that internal policy changes would be needed to create a positive evaluation of the Cuban economy among foreign investors, the state would decentralize entrepreneurial and social security institutions, permitting increased decisionmaking autonomy. Further, administrative income collection would be replaced by the introduction of an income tax and increased taxes on enterprise profits. The social security fund would be based on state enterprise property transfers and worker contributions, making it as important to savings and investment as the central and state enterprise export sector. Functioning labor markets would replace the government's placement of workers and its determination of salaries, assuming flexible regulation of salary rates by sectors (export/tourism/industry/agriculture). Trade unions at the enterprise and

sectoral levels and self-employed and small producer organizations would negotiate with both management and the state on labor conditions.

Challenges

The moderate alternative would confront the Cuban government's preference for negotiation of FDI on a case-by-case basis and the state's refusal to discuss labor conditions with representatives of foreign firms either individually or by sector. Furthermore, the 1994 CTC national consultation was strongly opposed to the taxation of labor income. However, because of Cuba's urgent need for increased FDI to be internationally competitive, and in light of the current initiatives to attract FDI,¹² it is possible that the government would accept a short-term political cost for departing from its past consultation rules.

The second, more radical alternative represents a clear departure from the Cuban socialist approach to labor and social welfare. The role of the state would change from guarantor of social and economic rights to regulator of mechanisms and organ-

izations for basic labor recruitment and benefits. The latter includes social security and unemployment insurance. The government's functions would change from providing jobs and fixing salary rates to regulating the labor market. Introducing or formalizing economic and social rights presents serious risks for the regime, given the doubtful realization of a substantial increase in external financial flows and external debt restructuring.

Under the moderate alternative, the development of trade unions and labor negotiations in the state-joint venture sector would occur independently from the CTC and would serve as a model for trade union activity in other sectors. This would present a moderate but important challenge to the democratic centralization principle so fundamental to the political architecture of the party. The emergence of a nonsocialist civil society, implied in the radical alternative and its associated processes, would obviously present a major challenge for the Cuban socialist system, a challenge that would serve as a measure of Cuba's ability to conform to universally established democratic rules.

NOTES

1. According to the United Nations Economic Commission for Latin America and the Caribbean (ECLAC), Cuba's annual gross domestic product (GDP) growth increased from 0.3 percent in 1996 to 6 percent in 1999.

2. Workers in small private restaurants have to be family members, and the size of the restaurant is limited to 12 chairs. Individual entrances and the number of meals served are state regulated.

3. See Francisco León Delgado, "Human Resources and Employment: What to Do After the Special Period," in Archibald R.M. Ritter, ed., *The Cuban Economy: Performance, Problems, Policies, and Prospects* (Gainesville: Florida University Press; in press).

4. A large number of Cuban specialists agree on the estimated minimum nutritional needs coverage (50 percent) of the monthly distributed food.

5. See La Economía Cubana, *Reformas estructurales y desempeño en los noventa* (Mexico: ECLAC, Agencia Sueca de Cooperación Internacional para el Desarrollo y Fondo de Cultura Económica, 2000), pp. 298 ff.

6. According to ECLAC, this increase would be bigger if the subsidies paid to unemployed workers by the state-owned firms were included.

7. These changes were adopted and implemented mainly from 1993 to 1995, even if FDI authorization had been adopted in 1980

and implemented with the adoption of the state-foreign enterprise authorization in the early 1990s. The 1993-95 package included some important reforms: legalization of foreign currency circulation and tenancy; fiscal reform; individual authorization of selected self-employed occupations; agricultural land transfers to cooperatives; peasant and handicraft free market authorization; Central Bank and financial system reform; the end of the monopoly of state exports; and a reorganization of the state enterprise sector.

8. "Convertible" pesos are token money used for equivalent US\$ in state shops exclusively selling imported products.

9. An estimated 1.3 million workers receive part of their salaries in convertible pesos.

10. Due to outmigration flows, regional and racial composition of the population, family ties, and ideological influences, money remitted from abroad is more likely to reach families that are political nonconformists, Havana metropolitan area residents, and non-Blacks than to strong government and regime supporters, the rest of the country's residents, and Blacks.

11. Cuba's socialist model would thus depart from China's and Vietnam's low labor cost export strategy.

12. One of the initiatives has been the tobacco industry state-joint venture opening—under relative macroeconomic constraints—to foreign investment; this industry was already competitive and able to obtain annual external credits for more than six consecutive years.

The Risks for Foreign Investment in Cuba

by Otto Reich

President, U.S. Cuba Business Council

There are commercial, political, and moral reasons why investing in Cuba is a risk for most companies.

INVESTMENT RISKS

It is difficult to cite statistics on foreign investment in Cuba because the state controls almost all of the economic data, and it either does not report statistics or distorts them. According to the government, for example, Cuba has anywhere from 250 to 500 joint ventures whose investment totals perhaps as much as \$5 billion. These are not reliable figures. Furthermore, the Cuban government has been known to count commitments of future investment as current capital flows to give the impression that Cuba receives a great deal of foreign investment. For example, the Mexican company the Domos Group announced years ago an investment in the Cuban telephone network totaling \$1.5 billion (had the entire project been completed), which the Cuban government immediately reported around the world. In fact, the amount that Domos actually invested in Cuba was about \$300 million. Domos is no longer in Cuba and is in dispute with the government over that investment. Other Mexican companies have had similar experiences.

The largest single foreign investor in Cuba is reported to be

Sherritt International, a Canadian company that raised \$500 million for investments in Cuba. Now the firm is looking to invest that money elsewhere. As the chairman of the company said, "There is only so much you can do in Cuba." A few years ago, however, he was touting Cuba as an excellent place in which to operate because, among other advantages, it never had labor problems. But Sherritt did encounter problems with the government—and perhaps with labor as well.

First Key Project Technologies, another Canadian firm, had planned a \$500 million investment in energy in Cuba. After initially investing about \$9 million, the company discovered that the Cuban government had stolen its plans and was trying to "shop" the deal in Europe. The government had also confiscated the company's equipment. According to First Key, Cuba is not a reliable place in which to invest.

These and other Canadian examples were no doubt part of the reason that Prime Minister Jean Chretien in 1999 announced cooling relations with Cuba. The principal reason for this stance, however, was human rights. The Prime Minister had requested the release of four peaceful Cuban dissidents from prison, all of whom had at one time been members of the government. Castro ignored Chretien's plea, and the Prime

“All of the foreign enterprises, regardless of the industry sector, are well aware that investing in Cuba is risky because they are not operating on a level playing field. The rules of the game are stacked in favor of the government and against the workers.”

Minister said that he was going to put some cold Canadian air between Cuba and Canada.

These experiences—and only a few of many have been cited—demonstrate that commercial relations with Cuba, as with any nondemocratic country, are quite risky. *EuroMoney Magazine* ranked Cuba the worst investment risk in the world, even below Somalia. The Heritage Foundation's *Index of Economic Freedom* rated Cuba as the second most repressed economy in the world (behind North Korea) and described Cuba as the least economically free country in Latin America. *Institutional Investors Country Credit Risk* ranked Cuba number 127 out of 135 countries in investment risk.

Why, then, do press reports indicate increasing interest in Cuba as a business destination? One answer is that some foreign companies doing business in Cuba are making a profit. Furthermore, some joint ventures, such as those in the hotel industry, have service or management contracts in which they risk very little since they operate, rather than own, properties, and they deal in the hard currency economy. Nevertheless, all of the foreign enterprises, regardless of the industry sector, are well aware that investing in Cuba is risky because they are not operating on a level playing field. The rules of the game are stacked in favor of the government and against the workers.

LABOR CONDITIONS

Cuba's labor conditions are exploitative. A recent report by Efrén Córdova and Eduardo García Moure accurately depicts the situation:*

*Efrén Córdova and Eduardo García Moure, "Executive Summary," *Modern Slavery: Labor Conditions in Cuba*, Institute for Cuban and Cuban-American Studies, Occasional Paper Series, University of Miami (April 2000).

From the beginning of the revolution, workers suffered from low salaries and lengthy work weeks. The regime was interested in capital formation and increasing labor productivity. The government simplified the salary scale and froze wages. Bonuses and other salary supplements, hard won by labor unions before the revolution, were eliminated, as was overtime. The austere pay scales were paired with constant exhortations from the revolutionary leadership for harder work, longer hours, volunteer labor, and mass mobilizations (especially for agricultural work and the sugar harvest). These calls for voluntary labor included women and children. The hidden agenda: to extract more value from Cuban workers, approximately \$2 billion from voluntary labor alone.

Strikes and protests would have been expected under such conditions, but the government did not allow any opposition. Because of the authoritarian regime and the presence of the military and the police, workers have turned to passive resistance, the lowering of output, illicit activities, or exile.

In recent years, about 12 independent trade unions have been formed, but none is acknowledged by the government. Those who have attempted to form an independent union have been jailed for up to eight years. The only recognized union is the Confederación de Trabajadores de Cuba (CTC), which is not an organization for the workers, but an arm of the regime.

During Cuba's difficulties in the recent "Special Period" (the end of the Soviet Union's \$5 billion a year subsidy), the government began to encourage foreign investment. Many Cubans work in these joint enterprises. Yet, because they receive their salaries in pesos, even though the foreign firms pay the government in dollars for the workers' services, they are paid about 5 percent of what they actually earn. The

state pockets the rest—a 95 percent confiscation rate. Many Cubans resent the “apartheid” system that foreign investment has created in Cuba. The Cubans working in the foreign, or tourism, sector were supposed to have been among those who benefited the most from the revolution. It is the worker and human rights described above that demonstrate the lack of any achievement by the revolution. I believe that it is morally wrong to do business with a country that has such deplorable labor conditions.

CONTINUING THE PRESSURES ON CUBA

I do not believe that commercial engagement is the way to open up totalitarian regimes such as Cuba. The state controls the totality of society—the executive, judicial, and legislative branches, all means of production, and, of course, the police and the military. Totalitarian regimes, in my opinion, do not respond to external pressures as do authoritarian regimes. South Africa was authoritarian, and it responded to the pressures of the Sullivan Principles and the international multilateral boycott. Human Rights Watch, an organization that closely tracks the situation in Cuba, does not generally agree with the use of unilateral economic sanctions. However, because the human rights conditions in Cuba are so bad and because so little pressure is being exerted on the government from countries that are “engaging,” Human Rights Watch recommends the internationalization of the economic sanctions. A number of people are currently saying the opposite—remove the sanctions and the dictatorship will disappear. My view is that the pressures on Cuba must continue until the government responds positively.

“Cuba has assets that the post-communist societies in Europe did not have—access to the capital and the technical assistance of its neighbors.”

However, I am not opposed to engaging the nondictatorial elements of the government of Cuba. After 41 years, it is evident that few Cubans on the island still believe in the system. The situation in Cuba is one of *disimulación*; the Cubans are “pretending” to support the system because the state is basically the only employer in the country and is the issuer of ration cards. If Cubans do not support the system (or pretend to support it), neither they nor their families get enough to eat. But because even the ration card does not provide sufficient food for families to survive, Cubans have been forced to deal in the black market for basic necessities.

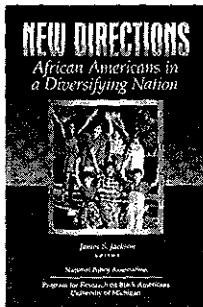
The outside world should try to bring about the best possible outcome for the people of Cuba, as it did in South Africa. A lengthy transition period should be avoided. Obviously, a full-fledged democratic government in Cuba will not occur overnight. Cuba could benefit from the transition experiences of eastern Europe. Further, Cuba has assets that the post-communist societies in Europe did not have—access to the capital and the technical assistance of its neighbors, such as Canada, Mexico, and the United States, and of the Cuban American community. Cuban Americans can play an important role in Cuba’s peaceful transition and economic reconstruction. The Cuban American community has a gross domestic product several times larger than that of the entire island of Cuba. This does not mean that Cuban Americans will go into Cuba and buy the island. But they will be among the first to invest and to risk their capital.

CONCLUSION

Commercial engagement in Cuba has not resulted in any irreversible political opening. Cuba has no independent newspaper, radio or television station, civic association, or any other institution usually associated with a civil society. Therefore, I believe that it is politically as well as morally wrong to invest in Cuba. The tide of history has clearly moved away from collectivism toward private enterprise, away from communism toward democracy. When a democratic government is in place in Cuba, as it surely will be, Cuban workers will no longer be exploited. The people of Cuba have suffered so long that the outside world must try to put moral pressure on the government and the companies that may be providing assistance to the government, wittingly or unwittingly. If nothing else, such a strategy would help to highlight the internal condition of Cuba.

NEW NPA BOOKS

New Directions: African Americans in a Diversifying Nation



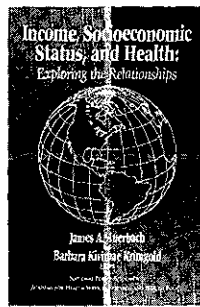
New Directions: African Americans in a Diversifying Nation presents significant and timely data on eight topical areas and thought-provoking recommendations for eliminating racial disparities and promoting greater awareness of the complexities arising from America's new diversity.

Beginning with a review of current demographic data and an analysis of public attitudes on race and other policy issues, this multi-author study addresses income and wealth, education, health, family structure, politics, and criminal justice. It finds that the increasing diversity within the African American population indicates both progress and continuing challenges in each area. The study discusses the potential of several models of intergroup collaboration and the pitfalls of competition as all sectors of society seek to obtain the benefits of America's growing prosperity.

(308 pp, 2000, NPA #297, \$24.95)

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Income, Socioeconomic Status, and Health: Exploring the Relationships



Income, Socioeconomic Status, and Health: Exploring the Relationships examines the basic evidence on the connection between health and socioeconomic status, offers hypotheses about how the linkage operates, and presents public policy options.

The eminent U.S. and international researchers strongly urge that health policy be linked to social and economic determinants of health. There are six areas where they say efforts are critical: investing in young children; providing services and opportunities for the neediest; improving the work environment; strengthening support at the community level; creating a more equal economic environment; and recognizing and assessing the effect of economic and social actions on health. *Published by NPA and the Academy for Health Services Research and Health Policy.*

(176 pp, 2001, NPA #299, \$20.00)

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**VOL. XXII No. 2
 JANUARY 2001**

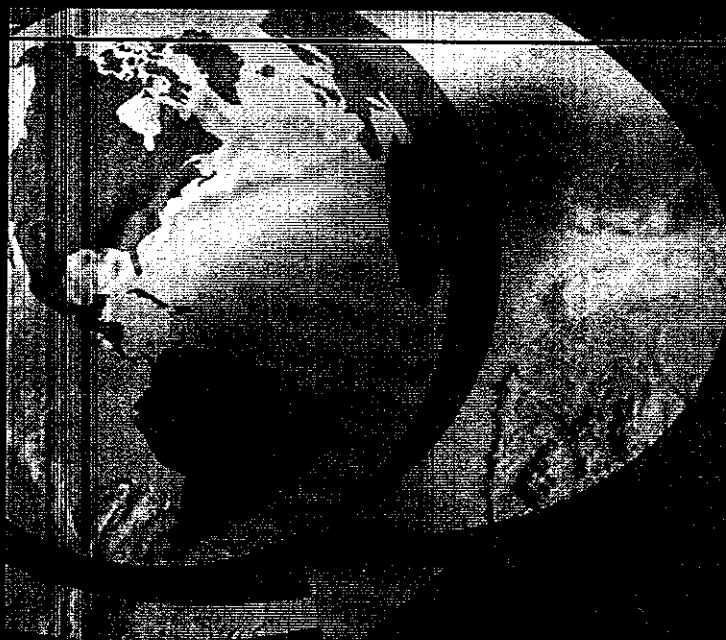
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**NATIONAL
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Soluciones de política para el siglo 21



VOL. XXII, NO. 2a

LOOKING AHEAD

**Hacia las Mejores Prácticas
Comerciales para los Inversionistas
Extranjeros en Cuba**

por Anthony C.E. Quainton y Kaylin Bailey

**Promoción de un Diálogo sobre
Derechos de los Trabajadores en Cuba**

por Benjamin Davis

**Inversiones Externas y Relaciones
Laborales en Cuba: Retos de la
Estrategia de Realzar los Derechos**

por Francisco León Delgado

Riesgo de la Inversión Externa en Cuba

por Otto Reich

La National Policy Association reúne a líderes del comercio, del trabajo, y otros para identificar las soluciones a nacientes desafíos económicos y sociales en Estados Unidos e internacionalmente.

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Mirando al Pasado y También al Futuro

por Anthony C.E. Quainton
Presidente y CEO de NPA

El año 2000 fue un período de vigorosa reorientación en la NPA y refleja un ciclo interesantísimo de actividad en proyectos y comités. Durante ese período NPA trató de usar como base establecida su dedicación a buscar puntos comunes, equidad social y económica, y relevancia política, tanto en el país como internacionalmente. Sus éxitos fueron muchos.

Entre los sucesos sobresalientes nótase una importante conferencia sobre la desigualdad de los ingresos y los determinantes sociales de la salud que profundizó sobre los dilemas políticos de la correlación entre la situación socioeconómica y el curso que sigue la salud. Una importante publicación que trata de este tema salió a luz con el título, *Income, Socioeconomic Status and Health: Exploring the Relationships*. NPA publicó otra obra importante titulada, *New Directions: African Americans in a Diversifying Nation*, que pone de relieve la realidad y las causas de la apreciable brecha socio-económica entre americanos blancos y negros. Mirando hacia una futura transición democrática en Cuba, el proyecto sobre derechos de los trabajadores y mejores prácticas comerciales financiado por la Agencia para el Desarrollo Internacional de EE.UU. ha obtenido la participación de un creciente grupo de adherentes que creen que a las empresas de ámbito global corresponde la responsabilidad de ayudar a establecer, las condiciones para una Cuba democrática. El proyecto ha sido financiado por un año más.

Aunque esta publicación de *Looking Ahead* destaca especialmente a Cuba, el tema en cuestión es solo una pequeña parte del horizonte de la política de NPA. Los seminarios efectuados sobre el calentamiento global, la competitividad norteamericana y la formación de política comercial post-Seattle han atraído un gran público. Los comités de política de NPA han abordado temas tan diversos como el comercio electrónico, la biotecnología, y la infraestructura norteamericana. Continuaremos nuestra exploración de dichos temas en el 2001.

Pero en 2001 NPA también seguirá nuevos rumbos. Patrocinaremos conferencias sobre el relanzamiento de la agenda norteamericana y directrices de la OCED para las empresas multinacionales. Con una subvención del Servicio Federal de Mediación y Conciliación nos proponemos convocar conferencias regionales con una apreciable participación de empresas y sindicatos.

Esta variedad de actividades es solo una muestra de lo que puede esperar el creciente número de miembros y patrocinadores de NPA. Extendemos la bienvenida a todos los lectores que quieran adherirse y participar en un programa de tanto alcance con el cual se buscan puntos de confluencia en la nueva economía y soluciones de política para el siglo XXI.

NPA: EL ESTABLECIMIENTO DE CONSENSO

por John T. Dunlop

La National Policy Association hizo entrega de su premio anual, una medalla de oro, a John T. Dunlop, Profesor Emérito de la Universidad de Harvard, y a Peter G. Peterson, Presidente del Grupo Blackstone, el 20 de noviembre, 2000, en cena celebrada en el Hotel Pierre, Nueva York. La medalla de oro de NPA se entrega anualmente en reconocimiento de liderazgo excepcional en el fomento de una sociedad más productiva y más justa. El doctor Dunlop, ex-Secretario del Trabajo, es actualmente síndico de NPA y miembro del Comité de Nuevas Realidades Americanas de NPA. Las observaciones siguientes son un extracto del discurso de durante la ceremonia de entrega pronunciado por el doctor Dunlop.

Doy las gracias a la National Policy Association por tan insigne premio. Me siento honrado por estar junto con tantos amigos, asociados y colegas que han desempeñado funciones en empresas, sindicatos y gobierno que también han recibido este premio. En estos tiempos conflictivos es motivo de satisfacción estar asociado a una organización representativa de empresas, sindicatos, agricultura, y del mundo académico, que se ha dedicado a establecer un diálogo razonado, intercambios sinceros, y un consenso a través de fronteras e ideologías provinciales.

An una de las reuniones de la NPA en 1946, Clinton Golden, entonces vicepresidente del sindicato de Trabajadores del Acero, dijo lo siguiente: "En mi opinión, ha llegado la hora en que en vez de mirar las causas del conflicto que conocemos y de las cuales tanto escuchamos, debemos descubrir cuanta paz existe y que es lo que hace la paz." En el período de post-guerra, con el tráfico y la confusión industrial, legislativa, y política sobre los papeles de empresas, sindicatos y gobierno—marcado por una sucesión de huelgas, inflación y enmiendas a la ley Taft-Hartley que reemplazó a la ley Wagner—NPA estableció en 1947 un Comité Sobre las Causas de la Paz Industrial, dentro de la Contratación Colectiva presidido por

Clint. Yo fui uno de los 29 miembros representantes de empresas, sindicatos, y del mundo académico. Se publicaron 13 influyentes estudios para demostrar que la armonía entre empresas y sindicatos no solo era posible sino esencial en la planificación. NPA publicó el informe final del comité en 1953, y yo fui el autor de uno de los seis capítulos. Ese fue el comienzo de mi asociación con NPA hace 53 años.

Pasemos ahora al futuro. En la actual sociedad, con frecuencia fraccionada, y con elevados costos y demoras de los litigios, los efectos negativos de contiendas en las relaciones y en la productividad merecen más atención a los medios de resolver conflictos y establecer consensos. Este ha sido el papel tradicional de NPA en la resolución de una amplia variedad de problemas. Recientemente NPA difundió una obra bajo la dirección editorial del profesor James A. Jackson de la Universidad de Michigan, que lleva el título *New Directions: African Americans in a Diversifying Nation*, que examina una de las profundas brechas en la sociedad actual.

No me entiendan mal; no es que yo me oponga a todo género de conflicto y a toda tensión. Una gran parte de esos conflictos son esenciales para resolver los desacuerdos. Sin ellos, donde estaríamos nosotros, los neutrales? Sin embargo, con demasiada frecuencia las diferencias y el nacionalismo implacable y las rela-

ciones jerárquicas no dan lugar a la continuación del diálogo, a las concesiones mutuas y a la atención a intereses comunes. Hoy día presenciamos esos conflictos en la manera como abordamos el intercambio comercial, los usos del Internet, las relaciones en los centros de trabajo, el uso que se da a los granos y otros alimentos, modificados genéticamente en el cuidado de la salud y en la complejidad de las relaciones entre proveedores, y aseguradores y el paciente como individuo. Todo esto es el grano para el molino de NPA.

Las especialidades y técnicas para establecer consensos dependen de foros para deliberaciones serias e intercambios privados, para determinaciones informales o más estructuradas sobre la verdadera naturaleza de los problemas, y la implacable realidad. Para lograr el consenso se requiere una objetividad sincera y severa. Necesita participantes, comúnmente son los que ejercen funciones directivas, de un lado y otro de la brecha; no puede ocurrir si un neutral por sí solo lo declara. Indiscutiblemente el consenso es la forma más apta de resolver conflictos puesto que así se empalma una variedad de controversias en vez de dar solución a una determinada controversia, y proseguir con otras. He aquí el reto futuro que enfrentara la NPA, en tiempos nuevos, con problemas diferentes, o con los viejos en otras vestiduras. ■

HACIA LAS MEJORES PRÁCTICAS COMERCIALES PARA LOS INVERSIONISTAS EXTRANJEROS EN CUBA

por *Anthony C.E. Quainton*
Presidente y CEO, National Policy Association
y *Kaylin Bailey*
Directora de Programas Internacionales de NPA

Junto con la mayor percepción de los consumidores y la mayor atención internacional que reciben las políticas socialmente responsable de las empresas, la National Policy Association se concentra en las mejores prácticas comerciales de los inversionistas extranjeros en Cuba. El concepto de promover los derechos humanos por intermedio del sector privado no es algo nuevo. La aceptación por el sector privado de los Principios McBride (1984) resultó en la adopción de normas equitativas de trabajo en Irlanda del Norte. Los Principios Sullivan, publicados en 1977, contribuyeron últimamente a la caída del régimen de apartheid en Sur Africa.

NPA abordó por primera vez el tema de los derechos de los trabajadores en Cuba en 1997 bajo los auspicios de su Comité Norteamericano (CNA), integrado por importantes líderes de empresas y de sindicatos de Canadá, México y

Estados Unidos. Hoy día junto con los esfuerzos colectivos de un Grupo Internacional de Trabajo para Cuba, NPA está tratando de persuadir a los actuales y futuros inversionistas en Cuba de que adopten voluntariamente las mejores prácticas comerciales y que se valgan de su influencia ante al gobierno de Cuba para promover los derechos de los trabajadores.

ESTRUCTURA LABORAL DE CUBA Y FALTA DE DERECHOS DE TRABAJADORES

No obstante haber ratificado las Convenciones 87 y 98 de la Organización Internacional del Trabajo (OIT) sobre (87) Libertad de

Asociación y (98) Derecho a Organizarse y Negociar Colectivamente, y de que la Constitución Nacional de Cuba garantiza la libertad de asociación y de reunión, Cuba tiene los peores antecedentes del Hemisferio Occidental en materia de derechos de los trabajadores. Los derechos se encuentran severamente limitados y la Confederación de Trabajadores de Cuba (CTC) auspiciada oficialmente es la única asociación legítima de trabajadores reconocida en el Código de Trabajo. La CTC es una organización sindical administrado y sancionado por el estado. Según lo describe Efrén Córdova, experto en el sindicalismo cubano:

“La CTC no es una organización legítima de trabajadores, sino un apéndice del gobierno y del partido

“Junto con los esfuerzos colectivos de un Grupo Internacional de Trabajo para Cuba, NPA está tratando de persuadir a los actuales y futuros inversionistas en Cuba de que adopten voluntariamente las mejores prácticas comerciales y que se valgan de su influencia ante al gobierno de Cuba para promover los derechos de los trabajadores.”

Este artículo se actualizó desde el discurso del Sr. Quainton en la X reunión anual de la Asociación para el Estudio de la Economía Cubana que se celebró el 4 de agosto de 2000 en Coral Gables, Florida. Este artículo se escribió conjuntamente con Kaylin Bailey, quien es también Directora del Comité Norteamericano y del proyecto de la NPA sobre Derechos del Trabajador y Mejores Prácticas de Negocio en Cuba.

comunista. Nunca ha sido un foro de discusión abierto, de crítica, propuestas, o alternativas a la línea oficial. En ninguna de sus reuniones se habían propuesto reclamos ni se habían presentado reclamos; sirve únicamente como una caja de resonancia de las exigencias del régimen y como correa de transmisión para consignas políticas y planes de producción.”

Debido a que la CTC tiene el mandato de promover la lucha por la defensa del socialismo y sus principios, los afiliados de la CTC deben ser miembros del partido comunista de Cuba. Este es un factor que por sí solo reduce el alcance de los derechos de trabajadores en Cuba; concede a los trabajadores la libertad para ser parte del sindicato dirigido por el gobierno o de quedarse sin representación. Así es que en el sentido normal de la palabra el sindicalismo en Cuba no es libre. Estas son condiciones que han causado gran inquietud entre organizaciones de derechos humanos y empresas socialmente responsables en todo el mundo.

La estructura laboral de Cuba presenta muchos problemas para el trabajador cubano. Repetidamente el gobierno se desentiende de peticiones de legalización provenientes de grupos independientes de trabajadores. Por estar privados de la libertad de asociación, los trabajadores carecen de un foro para negociar colectivamente en el sector público como en el privado. Los inversionistas extranjeros están obligados a contratar trabajadores a través de una agencia del gobierno que selecciona trabajadores según sus “expedientes laborales” y suele usar la afiliación política como criterio para empleo. Los puestos de trabajo en el sector privado que tienen mejor salarios y beneficios que los empleos en el estado, usual-

mente son reservados para “los revolucionarios buenos.” El sistema cubano de pago indirecto requiere a los inversionistas extranjeros hacer pasar sus salarios por el filtro del gobierno. El resultado es que estos reciben su salario en pesos que equivale de 5% a 10% de la suma original en dólares que pagó la compañía. Muchos inversionistas extranjeros reconocen que el sistema de pago indirecto deja a los trabajadores luchando por los medios de comprar sus productos de primera necesidad. Debido a eso las compañías suelen entregar a sus trabajadores cubanos una canastita, o “javita,” que contiene jabón, pasta dental, frutas, vegetales o géneros de todas clases con el fin de compensar por sus salarios tan reducidos. Aunque la distribución de javitas es un paso positivo, aunque pequeño, de los inversionistas extranjeros, con un sistema de pagos directo a los trabajadores eliminarían esta necesidad.

PROYECTO DE NPA SOBRE DERECHOS DE LOS TRABAJADORES Y MEJORES PRÁCTICAS COMERCIALES EN CUBA

En julio de 1999 el Comité Norteamericano de NPA publicó “Los Principios para Participación del Sector Privado en Cuba.” Este comité está convencido de que el sector privado debe adelantar el compromiso de los tres países miembros a la democracia, derechos humanos, y mejoramiento de las vidas del pueblo de Cuba. Los principios del CNA incluyen un centro de trabajo seguro y saludable, prácticas justas de empleo; contratación directa de trabajadores; derecho de los trabajadores a organizarse y contratar colectivamente; un

lugar de trabajo que permita libertad de expresión; y el fortalecimiento de los procesos legales en Cuba. Estos principios son similares a los más elaborados Principios Arcos de 1994 que llevan el nombre de uno de los más destacados activistas de derechos humanos en Cuba, Gustavo Arcos.

Para promover los principios de CNA más firmemente en un país cuya estructura impide los derechos de los trabajadores, NPA recibió una subvención de \$225,000 dólares de la Agencia para el Desarrollo Internacional, (AID) en 1999 con el fin de desempeñar este proyecto de derechos humanos y mejores prácticas comerciales en Cuba. Recientemente NPA recibió una extensión apreciable de esa subvención que permitirá la continuación de las actividades de este proyecto hasta el año 2002.

El Grupo de Trabajo para Cuba

Como parte de este proyecto, NPA ha formado un Grupo de Trabajo del sector privado internacional sobre las mejores prácticas comerciales en Cuba. En vez de expresar puntos de vista homogéneos sobre la situación de Cuba, cada organización afiliada a este grupo contribuye su perspectiva particular. El Grupo está integrado por representantes de empresas, sindicatos, y organizaciones de derechos humanos de Europa, Canadá, México, y los Estados Unidos:

AFL-CIO American Center for International Labor Solidarity (ACILS);

Cámara Americana de Comercio de Cuba en los Estados Unidos (AmCham-Cuba);

Consejo Mexicano de Comercio Exterior (COMCE);

The Conference Board of Canada;

Universidad Internacional de Florida;
 Instituto Tecnológico Autónomo de México (ITAM);
 National Policy Association;
 Pax Christi Netherlands;
 Prince of Wales Business Leaders Forum;
 United Food and Commercial Workers International Union (UFCW);
 Cámara de Comercio de Estados Unidos;
 US Cuba Business Council;
 Confederation of Netherlands Industry and Employers (VNO-NCW);

Principios de Inversión Voluntaria

El Grupo de Trabajo es de la creencia que el sector privado internacional puede desempeñar un papel de importancia vital en la promoción de instituciones abiertas de mercado libre y en el cumplimiento de las normas universales de derechos humanos en Cuba. Por tanto el Grupo de Trabajo expidió los "Principios para Inversión del Sector Privado en Cuba." Se basan en los principios de CNA y también en los principios Arcos, Sullivan, McBride y otros principios de responsabilidad social que han sido un catalizador para las sociedades no democráticas. El Grupo de Trabajo para Cuba ha impulsado al sector privado para que adopten voluntariamente los principios básicos siguientes:

- respetar los derechos de los trabajadores a organizarse libremente en su centro de trabajo y a escoger un sindicato que los represente en las negociaciones con la empresa, en conformidad con las Convenciones 87 y 98 de la OIT;

- mantener una tradición corporativa que respete la libre expresión en conformidad con las intereses legítimas de las empresas y no aceptar la coerción política en el centro de trabajo;
- trabajar para obtener el derecho a reclutar, tratar, pagar, y ascender directamente a los trabajadores, y no a través de intermediarios del gobierno;
- utilizar prácticas de empleo socialmente responsables que impidan el trabajo infantil y forzado y la discriminación basada en raza, género, origen nacional, creencias religiosas o políticas o afiliación de esa naturaleza, en conformidad con la Convención 111 de la OIT;
- establecer un centro de trabajo seguro y saludable de acuerdo con los principios de desarrollo sostenible; y
- apoyar el fortalecimiento de los procedimientos legales dando estímulo al respeto por los procedimientos legales, derechos humanos y las convenciones internacionales de las cuales Cuba es signatario.

Estas prácticas comerciales responsables socialmente e internacionalmente, en la opinión del Grupo de Trabajo, pueden dar apoyo a los derechos humanos y últimamente dar estímulo a que la fuerza de trabajo sea más productiva. El Grupo reconoce que la situación en Cuba es dinámica y que hay muchísimos retos que enfrenta la participación del sector privado. Aunque sus operaciones se desarrollen en una forma consistente con las leyes y reglamentos vigentes en Cuba, las compañías deben respetar, en lo posible, los derechos fundamentales de los trabajadores y abogar por cambios en las leyes cuando no sea posible cumplir con estos principios. La mayor parte de estos principios se aplican también a otros países, y el Grupo de Trabajo ha instado a todas las compañías a que cumplan en sus operaciones mundiales con estas directrices.

El gobierno de Cuba tiene una necesidad crítica de obtener moneda convertible y los inversionistas extranjeros satisfacen una gran parte de esa necesidad. Conscientes de esto, muchos miembros del Grupo de Trabajo creen que las compañías que deciden invertir en Cuba pueden y deben utilizar su poderío financiero para promover los derechos fundamentales de los trabajadores, especialmente en vista de que la voz del pueblo cubano en estas cuestiones es limitada.

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Otras Actividades del Grupo de Trabajo Sobre Cuba

El proyecto Cuba de NPA auspició una conferencia internacional titulada "Derechos de los Trabajadores y Mejores Prácticas Comerciales en Cuba" en junio 2000, en la ciudad de México, y convocará una segunda conferencia en Montreal el 1 de junio 2001. El enfoque principal de estas conferencias consiste en ampliar la conciencia sobre la situación laboral actual que encuentran los inversionistas extranjeros en Cuba, y promover los principios del CNA y el Grupo de Trabajo. El respaldo de estos principios por los oradores fue un índice de que la participación responsable del sector privado puede ser un medio efectivo de promover la democracia y los derechos humanos.

Entre los presentes en la conferencia del 2000 estaban Gare Smith, abogado, Foley, Hoag and Elliot; Howard Sullivan, Global Sullivan Principles e hijo del reverendo Leon Sullivan; el embajador Otto Reich, presidente, US Cuba Business Council; Benjamin Davis, coordinador para las Américas, American Center for International Labor Solidarity; Francisco León Delgado, senior visiting fellow, Instituto para las Relaciones Europeo-Latinoamericanas; y Pedro Pérez

Castro, secretario de relaciones internacionales, Solidaridad de los Trabajadores Cubanos.

En conformidad con la Sección 109, the Cuban Liberty and Democratic Solidarity (Libertad) Ley, el Grupo de Trabajo busca activamente contacto con los grupos así llamados disidentes de la isla y, en lo posible, trata de diseminar escritos sobre los derechos de los trabajadores a los ciudadanos cubanos. El Grupo de Trabajo está fortaleciendo estos contactos principalmente por medio de organizaciones tales como Solidaridad de los Trabajadores Cubanos, con sede en Caracas, Venezuela. Desafortunadamente, el gobierno cubano no ha autorizado visitas a Cuba del Grupo de Trabajo con el fin de solidificar las relaciones, aprender más sobre el movimiento de trabajadores independientes de Cuba, y establecer contactos directos con inversionistas privados en la isla.

Inversionistas Americanos

El Congreso recientemente revisó y afirmó el embargo de Estados Unidos contra Cuba. La ley actual prohíbe a las empresas estadounidenses invertir en Cuba hasta tanto no se efectúe una transición democrática. Con todo, es claro que en algún momento en el

futuro, las empresas norteamericanas regresarán a Cuba. Aunque los esfuerzos del Grupo de Trabajo principalmente se entienden con inversionistas mexicanos, canadienses, y europeos, el Grupo también está empezando a sentar los cimientos de los derechos básicos de los trabajadores anticipando la transición que algún día llegará a una Cuba democrática. Como preparativo a esa transición es de vital importancia que las compañías estadounidenses tomen parte en los esfuerzos del Grupo de Trabajo.

CONCLUSIÓN

No puede haber ilusión alguna sobre la dificultad de efectuar un cambio en Cuba. La OIT no tiene verdadera autoridad para hacer cumplir la ley internacional del trabajo, aunque si puede dar publicidad a los abusos de los derechos laborales como medio de promover el cambio. La negativa de Castro a conceder derechos humanos fundamentales o adoptar medidas económicas que beneficien al pueblo cubano indica que la publicación de los abusos, pese a ser necesaria, no bastará para ejercer influencia en el gobierno cubano. En vez de lo cual debemos trabajar desde abajo hacia arriba y dar estímulo a las empresas, a los sindicatos y a los grupos de derechos humanos para que colaboren dando aliento y apoyo a la organización de grupos laborales independientes en Cuba. Los inversionistas extranjeros situados en la isla pueden ser instados a participar en la promoción de cambio. Un primer paso esencial en la búsqueda de la democracia y de los derechos humanos para todos los cubanos es el desarrollo de un movimiento sindical libre e independiente. ■

PROMOCIÓN DE UN DIÁLOGO SOBRE DERECHOS DE LOS TRABAJADORES EN CUBA

por Benjamin Davis
Coordinador, Américas,
American Center for International Labor Solidarity, AFL-CIO

La amplitud del enfoque de la AFL-CIO hacia los temas de la inversión y del comercio puede resumirse en su campaña pro-equidad global. Contrariamente a lo que creen muchos, la AFL-CIO no se opone al comercio o a la inversión. Reconocemos que los medios de vida de millones de nuestros afiliados, y de millones de trabajadores de América Latina, dependen de la inversión y del comercio. Sin embargo, nos oponemos a las reglas de la inversión y del comercio que excluyen a trabajadores, a miembros de la sociedad civil, y hasta a representantes elegidos del proceso que formula las reglas que se desentienden de derechos humanos fundamentales tales como la libertad de asociación. Nos hemos opuesto firmemente a aquellos acuerdos comerciales que niegan a los trabajadores un asiento

en la mesa. También hemos insistido sin cejar en que el debate acerca de la globalización no puede ser un debate limitado al comercio.

Apoyamos la reducción de la deuda de los países en desarrollo. Estamos a favor de que una parte más grande del presupuesto de Estados Unidos se destine a la ayuda externa. Además, creemos que las políticas y prácticas de las instituciones financieras internacionales deben reformarse fundamentalmente de manera que se aparten de confiar exclusivamente en la privatización, flexibilización y deregulación de los mercados laborales. Por el contrario, esas políticas y programas deben concentrarse en un enfoque más amplio que integre a la sociedad civil en el proceso de tomar decisiones, que proteja los derechos

sociales básicos tales como el cuidado de la salud y la educación y que conserve el derecho de las naciones a reglamentar los movimientos de capital a través de sus fronteras.

La experiencia de la transición en Europa Oriental ha tenido consecuencias desastrosas para los trabajadores. La transición de Cuba tiene que seguir un sendero diferente hacia el desarrollo—que sea democrático, equitativo y sostenible.

INVERSIÓN EXTERNA EN CUBA

La inversión ha aumentado significativamente en Cuba después de que se redujeron las restricciones a la inversión externa con la aprobación de la Ley 77 en 1995. Las cifras correspondientes a marzo de 1999 publicadas por el Consejo Cubano-EEUU Económico y Comercio indica inversiones externas que sobrepasan los 6.1 mil millones de dolares de los cuales 1.8 mil millones ya han sido entregados o comprometidos. Los países inversionistas que encabezan estas inversiones son Canadá, México, Italia, y España. Una gran parte de estas inversiones se ha destinado a empresas conjuntas con entidades controladas por el gobierno cubano. En septiembre 1998, se contaban un míni-

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mo de 154 empresas de esta clase, con 135,000 mil trabajadores. Los sectores clave de estas inversiones son la minería de níquel, el turismo, y la producción de petróleo y gas. Además se han establecido zonas francas después de la aprobación del Decreto Ley 165 en 1996. Así mismo en 1996 se aprobó una ley que permitía las zonas francas. Ahora hay tres zonas francas y dos más en construcción.

VIOLACIONES DE LOS DERECHOS DE LOS TRABAJADORES

El problema tan serio de violaciones de derechos humanos en Cuba ha sido bien documentado por la Comisión de Derechos Humanos de las Naciones Unidas (ONU), por Human Rights Watch y por otras fuentes. Los antecedentes de Cuba revelan varios problemas importantes relacionados con los derechos de los trabajadores.

Una es la negativa básica de la libertad de asociación. La representación de los trabajadores está monopolizada por la Confederación de Trabajadores de Cuba, CTC, cuyas directivas se limitan a miembros del partido comunista. El Código del Trabajo de Cuba concretamente se refiere a la CTC como representante único de los trabajadores del sector estatal. En la práctica, un trabajador debe estar afiliado a la CTC para trabajar en un empresa estatal, incluyendo el sector de exportaciones. Aunque el Código de Trabajo permite la existencia de organizaciones sindicales independientes y algunas existen, a ninguna se le ha concedido la personería jurídica y sus dirigentes han estado sujetos a amenazas y hostigamiento constante.

La resolución 18/90 del Comité Estatal de Asuntos Laborales y Seguro Social crea comités en los centros de

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trabajo para la selección, evaluación y ascenso de los trabajadores. En el sector externo, estos comités incluyen representantes de la empresa, el representante del sindicato, la agencia estatal de empleo, y los trabajadores. La Organización Internacional de Trabajo (OIT) ha determinado que en la práctica estos comités funcionan con el fin de negar empleo a los trabajadores cuya ideología es sospechosa. En las industrias de turismo, según el Decreto Ley 122 se establece una norma de conducta separada para los trabajadores. Aunque la remuneración es más alta en este sector, hay requisitos disciplinarios especiales que se aplican.

Otro sector problemático es que el control político abarca el control económico de la fuerza de trabajo. Según la Ley 77, la ley básica que rige la inversión externa, la agencia de empleo del estado contrata trabajadores y luego firma contratos con las empresas conjuntas para proveer trabajadores a esas empresas. El estado decide que trabajadores se deben asignar a que empresa, y el estado recibe sus salarios en moneda convertible. Sin embargo, los trabajadores son remunerados en pesos cuyo valor es mucho más bajo, como promedio, un 4% del valor en dólares por su trabajo. El gobierno se queda con casi toda la diferencia.

Este arreglo constituye una violación de las Convenciones 111 y 95 de la OIT. Además, en el trabajo en el sector de inversiones externas permite a los trabajadores favoritos ganar bonos como incentivo y propinas en moneda convertible.

La campaña destinada a aumentar exportaciones conduce a condiciones más duras para la mayoría de los trabajadores cubanos. Según el Decreto Ley 187, “Reglas Generales para el Mejoramiento del Sistema Empresarial,” el sistema militar de perfeccionamiento establece una disciplina estricta al mismo tiempo que trata de aumentar la motivación y productividad de la mano de obra. Actualmente, entre 95 y 125 centros de trabajo funcionan con ese sistema, pero al llegar el año 2002 casi 2000 centros de trabajo incluyendo los que están en el sector de inversión externa serán incluidos en él. Además, se informa que como parte de la campaña de estímulo a la productividad, en el sector de exportaciones se encuentra el uso muy extendido de horas extraordinarias “voluntarias” y no remuneradas.

POLÍTICA DE LA AFL-CIO SOBRE CUBA

La política de la AFL-CIO en relación con Cuba dice lo siguiente: “Aunque la AFL-CIO

“Aunque la AFL-CIO quisiera ver el fin de las sanciones económicas contra Cuba, apoyamos este paso solo como respuesta a una mejora demostrable en las prácticas de Cuba en derechos humanos y derechos de los trabajadores.”

quisiera ver el fin de las sanciones económicas contra Cuba, apoyamos este paso solo como respuesta a una mejora demostrable en las prácticas de Cuba en derechos humanos y derechos de los trabajadores. Concretamente cualquier reducción de las sanciones aplicables debe ser cuidadosamente calibrada como correspondiente a mejoras en el respeto del gobierno cubano por la libertad de asociación, el derecho a organizarse y negociar colectivamente, cumplimiento de las convenciones de la OIT y alguna inclinación hacia elecciones libres y equitativas, gobierno democrático y al derecho básico.”

El Consejo Ejecutivo aprobó una resolución en octubre de 1999 solicitando al gobierno de Estados Unidos que por motivos humanitarios, “enmendara su embargo económico permitiendo los envíos de medicinas suministros médicos y alimentos a la isla, con un esfuerzo especial para hacer entrega a

través de organizaciones tales como la iglesia y otros grupos que no forman parte directamente del gobierno de Castro.” La resolución renovó la petición al gobierno cubano pidiendo la libertad de todos los presos políticos, la legalización de todos los partidos políticos la personería jurídica de sindicatos obreros independientes, y sus actividades y elecciones libres, justas y democráticas supervisadas internacionalmente.

MEJORES PRÁCTICAS COMERCIALES

Muchos gobiernos y empleadores reconocen que una economía global sin reglas que protejan los derechos fundamentales de los trabajadores es moralmente objeccionable y políticamente imprudente. La evidencia más palpable de este cambio es la adopción unánime por la OIT de la Declaración de Principios y Derechos

en el Trabajo. Los inversionistas extranjeros están prestando más y más atención a los mejores principios comerciales, especialmente a los derechos de los trabajadores. Ya se han propuesto diversos modelos de principios comerciales en Cuba, entre ellos los Principios Arcos, las normas de Pax Christi, las recomendaciones del Consejo de Relaciones Exteriores, y el Grupo de Trabajo sobre Cuba de la National Policy Association.

La AFL-CIO es de la creencia que tiene importancia de abrir un diálogo con inversionistas extranjeros en Cuba, con los sindicatos de sus países, y con los gobiernos de los inversionistas sobre la importancia de los derechos de los trabajadores en Cuba—sobre todo la libertad de asociación. La OIT puede desempeñar un papel esencial en la promoción y evolución de este diálogo. Aunque los inversionistas pueden sacar provecho a corto plazo de su colaboración con el régimen cubano, a la larga ni ellos ni los trabajadores cubanos se beneficiarán de un sistema que subordina la libertad de asociación al control de un partido. A eso se debe la importancia de iniciar el diálogo ahora. El futuro de los trabajadores cubanos es demasiado importante para dejarlo a merced de los caprichos del mercado global. ■

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INVERSIONES EXTERNAS Y RELACIONES LABORALES EN CUBA: RETOS DE LA ESTRATEGIA DE REALZAR LOS DERECHOS

por Francisco León Delgado
Senior Visiting Fellow,
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Las políticas de la inversión extranjera directa (IED) y las relaciones laborales de los países socialistas que se integraron a la economía global a raíz del fin de la Guerra Fría se diferencian en términos de modelos económicos, condiciones de reingreso, y apertura al cambio. El reingreso y el proceso de transformación internacional de cada país es lo que ha creado su estrategia en materia de derechos laborales. Cuba no es excepción.

Este artículo se aparta del argumento según el cual la solución a los problemas políticos económicos y sindicales de Cuba solo se encontrará a través de un cambio repentino pasando de una economía socialista a una economía de mercado y la transformación a la democracia. En vez de esto, el artículo identifica los problemas y opciones que enfrentan los dirigentes cubanos en adaptar el modelo socialista a políticas laborales más abiertas. Estrategias alternas consistentes en realizar los derechos laborales en el contexto de la inversión extranjera directa también se examinan aquí.

MODELO SOCIALISTA DE CUBA Y RELACIONES INDUSTRIALES

El Modelo Socialista Cubano

Después de la Guerra Fría, Cuba, China, Corea del Norte, y Vietnam, retuvieron su organización unipartidista y masiva y los sistemas socialistas de ejércitos revolucionarios. También

introdujeron cambios en sus modelos económicos con el fin de facilitar su reingreso a la economía global. Durante la Guerra Fría, China y Corea del Norte se encontraban marginalmente dependientes del Consejo Internacional para Ayuda Económica Mutua (CMEA), en contraste con las relaciones estrechas entre Cuba y Vietnam. El colapso de CMEA en 1989 tuvo por consiguiente un efecto importante sobre Cuba y Vietnam. Además, la transformación económica de China y su reingreso al sistema internacional ya se había iniciado en la década de 1970, y en el caso de Vietnam en la década de 1980. Los dos países alcanzaron un proceso sostenido de re inserción internacional y crecimiento económico acelerado durante el decenio de 1990. Cuba y Corea del Norte, por otra parte, siguen en las primeras etapas de la transformación económica. Con las sanciones persistentes y reforzadas de los Estados Unidos, su acceso a la inversión extranjera directa de países de economía de mercado ha sido limitada y su tasa de crecimiento,

aunque moderada, está lejos de ser sostenida. El desempeño económico de Cuba ha superado el de Corea del Norte que sigue en una profunda recesión económica. Cuba venció su crisis económica con éxito en 1994-95, iniciando un crecimiento económico moderado pero inestable.

El acceso universal al empleo, a la educación, al cuidado básico de la salud, a la alimentación y a la vivienda, son característicos de las economías socialistas. En China, Corea del Norte, y Vietnam, la mayoría de la población es rural, y el empleo y la producción de vivienda se proveen por medio de unidades agrícolas de producción para beneficio de los trabajadores y los miembros de su familia. Los jubilados están encargados de la familia. En estos tres países la educación, la salud, la vivienda y el seguro social de los trabajadores de centros urbanos son principalmente responsabilidad de las empresas de propiedad del estado.

En Cuba, 70% de la población activa está integrada por trabajadores remunerados que trabajan para el estado. El

estado proporciona los alimentos básicos, los servicios sociales, vivienda y seguridad social para todos los trabajadores incluyendo los trabajadores independientes de centros urbanos, los miembros de sus familias y los productores agrícolas privados. Aunque las diferencias de salarios han aumentado en Cuba, el trabajador mejor remunerado solo gana cinco veces más que el menos remunerado. La calidad de los alimentos, de los servicios y de la vivienda buena es relativamente homogénea y las diferencias en cantidades varían según el grupo cronológico y la agrupación familiar. En China, Corea del Norte, y Vietnam, la calidad y cantidad de productos de primera necesidad se basa en las políticas y situación económica de los empleadores.

Aunque los derechos económicos y sociales de los cubanos son similares a los sistemas socialistas soviéticos y esteuropeos, Cuba es una economía subdesarrollada con una fuerza de trabajo que crece dos o tres veces más que el empleo y las necesidades de ingresos laborales; de manera que el financiamiento y los beneficios recibidos difieren de las economías este-europeas y soviéticas. El ingreso per capita y por trabajador y la inversión en recursos humanos (por ejemplos en educación y salud) han sobrepasado a los de la mayoría de países subdesarrollados. Las directivas de Cuba consideran estos hechos como la conquista más grande de la revolución en el curso hacia el comunismo pasando por el socialismo.

Crisis y Transformación Económica

En Cuba, China, y Vietnam, la desigualdad de ingresos familiares y el bienestar son las principales preocupaciones, pero las políticas adoptadas para

“El estricto programa de ajuste adoptado en relación con la crisis económica de 1989 y 1994 requirió una detención de los gastos del gobierno, particularmente los encaminados a servicios sociales . . . y redujo drásticamente la ración mensual de alimentos subsidiados y productos para el consumidores.”

distribuir ingresos difieren. En China y Vietnam, los ingresos provenientes de bienes y de inversión son las principales causas de la desigualdad en distribución de los ingresos. China y Vietnam permiten a sus ciudadanos tener propiedad privada e invertir en empresas; en Cuba, la distribución de propiedad e inversión se limitan a los extranjeros y a los ciudadanos del país en empresas pequeñas reguladas estrictamente.²

Las remesas monetarias de los emigrantes están autorizadas en los tres países. Sin embargo la influencia de las remesas en la desigualdad de ingresos es menor, aunque considerable, en Cuba debido a que el gobierno de Estados Unidos limita la cantidad que los cubano-americanos—la población cubana más grande en el exterior—puedan mandar a sus familias en Cuba. El gobierno cubano limita así mismo remesas de los ciudadanos que están trabajando temporalmente en países terceros.

La mayor falla del programa de crecimiento y estabilización del gobierno cubano entre 1993 y 1996 fue la insuficiencia de la inversión nacional líquida, que después de una reducción drástica en 1991, alcanzó un 8% del producto interno bruto (PIB) en la segunda mitad de la década de 1990. Un ingreso considerable en la inversión externa y en los ingresos en moneda extranjera provenientes del

turismo y remesas familiares, no llegó a cubrir el déficit sostenido de la balanza de pagos durante este período. El gobierno se vio obligado a pedir a los inversionistas extranjeros y a los gobiernos de estos que convirtieran las obligaciones de la deuda externa a corto y a mediano plazo. El resultado, fue una generación de empleo y de ingresos laborales en los últimos cinco años que no ha llegado a todos los sectores de la población activa. Realmente, los niveles en términos de salarios reales para las mujeres entre las edades de 25 a 55 años y los jóvenes entre las edades de 18 y 25 en 1991 sufrieron una baja comparados con los niveles del decenio de 1980.³

En este contexto, la producción de empleo directo y los niveles más elevados de productividad de la IED culminaron en la creación de 140,000 puestos de trabajo. El efecto total de las empresas extrajeras, de los servicios, y del turismo y del sector de exportación fue limitado. La producción de empleo y la productividad aparte de lo correspondiente a IED procedió principalmente del empleo independiente en zonas urbanas, de pequeñas empresas, y de pequeños productores agrícolas que forman parte de las nuevamente creadas las Unidades Básicas de Producción Cooperativa (UBPCs), y de las empresas estatales del sector turismo. Sin

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“Los reglamentos existentes y las condiciones no populares por ser privilegiadas de las empleadas de empresas conjuntas, presentan serios obstáculos a la administración eficiente por la competencia internacional.”

embargo, esta producción de ingresos no ha compensado por el descenso de la productividad en las empresas del estado o en los sectores de exportación y otros no comerciales.

El estricto programa de ajuste adoptado en relación con la crisis económica de 1989 y 1994 requirió una detención de los gastos del gobierno, particularmente los encaminados a servicios sociales como la educación. Este programa de austeridad redujó también drásticamente la ración mensual de alimentos subsidiados y productos para los consumidores,⁴ la construcción de vivienda, y los beneficios del seguro social hasta un punto en que esos beneficios solo proporcionaban considerablemente menos que una subsistencia mínima. Aunque el gobierno hizo un esfuerzo extraordinario para aumentar la parte correspondiente a gastos sociales como porcentaje del PIB (24% en 1989 a 30% en 1998) a costa de la formación de capital, la suma recibida por la población fue 20% más baja en términos reales debido a la reducción substancial de la actividad económica durante ese período.⁵ Los gastos sociales primarios (en educación, salud, cultura, vivienda y deportes) llegaron a 29%, pero los subsidios para la seguridad social, el bienestar social, y el consumo aumentaron por 42%.⁶

De hecho, para mantener el principio socialista fundamental de Cuba, el total de la suma recibida por la

población según los programas sociales y económicos garantizados por el estado aún sobrepasa el ingreso total recibido por los trabajadores remunerados e independientes. Sin embargo, parte de los beneficios fueron en forma de transferencias directas para aliviar los déficits de productos de primera necesidad en sectores muy vulnerables de la población (niños de menos de cinco años, ancianos, y mujeres embarazadas y con niños pequeños). Sin embargo, los beneficios no garantizan una mejora total en el bienestar de toda la población. El gobierno trata de distribuir equitativamente a través de controles establecidos por el estado de los ingresos y los servicios sociales, incluyendo seguro social y bienestar, y esto ha sido sumamente costoso en términos políticos y sociales. Además, el bajo nivel de estos beneficios, comparados con lo que recibían los cubanos en la década de 1980, trajo consigo altos niveles de emigración ilegal.

Relaciones Laborales y IED

En cuanto a las relaciones industriales y a los cambios estructurales de la economía,⁷ los programas de ajuste del gobierno se centraron en esfuerzos para mantener niveles de bienestar y de equidad y culminaron en la adopción de un conjunto de medidas, inspiradas por las experiencias de otros países socialistas (por ejemplo, en China).

Las medidas mas significativas fueron las siguientes:

- El control estatal de la selección y colocación de trabajadores remunerados en las empresas conjuntas estatales, extranjeras y de los trabajadores que temporalmente están trabajando en el exterior.
- Monopolio estatal del ingreso que reciben los trabajadores en moneda extranjera. Los trabajadores reciben su salario en pesos cubanos y, desde 1995, parcialmente en pesos “convertibles,” que quiere decir que el estado retiene un parte considerable del total del ingreso del trabajador en términos reales.⁸ En términos de remuneración, el estado paga el seguro social y otras aportaciones obligatorias tales como indemnización por desempleo o provee a los trabajadores empleo al finalizar un contrato y les garantiza acceso a la educación, salud, y a otros beneficios.
- El pago suplementario en pesos convertibles que reciben algunas categorías de trabajadores, particularmente los que trabajan en firmas orientadas hacia la exportación y en los servicios públicos (producción y distribución de la electricidad).⁹
- Asignación del personal militar a trabajar en actividades comerciales sin remuneración alguna.

Como parte de un régimen político unipartidista, el gobierno estableció una organización oficial del trabajo, La Confederación de Trabajadores de Cuba (CTC). En los niveles de empre-

sa y de región, los representantes de los trabajadores son elegidos por todos los trabajadores remunerados, y esos representantes locales eligen los representantes a la federación nacional y a las directivas de la CTC. Como en otros países socialistas, el partido comunista ejerce un control presentando listas de candidatos y cuenta con la aceptación por parte de la CTC de Consejos de Partido y resoluciones del Congreso.

A partir de 1990 el partido comunista de Cuba y las autoridades del estado han asignado a la CTC la función de organizar y efectuar "consultas" nacionales." Algunas consultas importantes han tenido que ver con la reforma fiscal (1994) y la reforma económica y política según el modelo socialista (1991). La consulta sobre la reforma fiscal resultó en el rechazo por parte de los trabajadores de un impuesto laboral sobre ingresos. Las propuestas de la reforma del modelo socialista general y de evaluación nunca se han hecho públicos.

Los trabajadores en las empresas conjuntas (IED) del estado y aquellos a quienes se paga parcialmente en pesos convertibles representan 35% del total de la fuerza laboral remunerada y 50% de los trabajadores independientes de las ciudades y de los productores agrícolas. Estos trabajadores, en términos de condiciones de trabajo e ingresos, constituyen el sector más privilegiado de la población activa. Debido a sus condiciones especiales, los trabajadores de otros sectores resienten la asignación de trabajadores y de salarios por el gobierno. El gobierno también encuentra difícil tratar de justificar las desigualdades que surgen debido a las remesas familiares.¹⁰ Por esa razón, el gobierno adoptó ciertas medidas compensatorias, especialmente en la

segunda mitad de la década de 1990 que incluyen las siguientes:

- Sobrevalorar en las tiendas del estado que venden productos en dolares o pesos convertibles y asignar esos recibos a la financiación de productos libres o subsidiados para sectores muy vulnerables de la población (por ejemplo, leche importada para los niños de menos de cinco años).
- Aumentos sistemáticos de impuestos aplicados a las personas que trabajan por su propia cuenta y a las pequeñas empresas familiares, aún cuando los aumentos de impuestos desaniman la producción de empleos.
- Promoción de la emigración temporal de trabajadores altamente calificados (por ejemplo, médicos) que pasan a ocupar cargos patrocinados por el estado o a prestar servicios por contrato con gobiernos y firmas extranjeras.

COMO SUBIR LA CATEGORÍA DE LAS RELACIONES LABORALES Y EL PAPEL DE LA IED: ALTERNATIVAS Y RETOS

Trabajadores, Gobierno, y Problemas de las IED

En vista de estas políticas sería sumamente difícil que el gobierno cubano

llevara a cabo las reformas económicas y sociales que piden muchas personas de la comunidad internacional y el pueblo cubano, y explica a que se debe que el prestigio externo del gobierno y su habilidad para gobernar han decaído. El hecho de culpar las sanciones económicas de Estados Unidos por las fallas del gobierno puede ayudar políticamente al estado y también reenforzar el nacionalismo y el sentimiento anti-estadounidense en Cuba y en algunos sectores de la comunidad internacional. Sin embargo, esa estrategia no ayuda a que Cuba se sobreponga a los obstáculos existentes al crecimiento económico o que atienda los problemas de los trabajadores cubanos y de la sociedad en términos generales.

El actual sistema restrictivo de trabajo no le conviene al gobierno o al pueblo cubano, ni a los inversionistas extranjeros que tienen operaciones en el país. Los reglamentos existentes y las condiciones no populares por ser privilegiadas, de los empleados de empresas conjuntas presentan serios obstáculos a la administración eficiente y a la competitividad internacional. En términos prácticos el derecho a despedir a un trabajador no compensa por los limitados derechos de contratar empleados que tienen las empresas. El resultado es que el sistema laboral es un factor negativo para los inversionistas extranjeros, no obstante la elevada calidad de los recursos humanos de Cuba.

"El surgimiento de una sociedad civil no socialista, implícita en la alternativa radical, evidentemente sería un reto significativo para el sistema socialista de Cuba, reto que serviría como medida de la habilidad de Cuba para seguir las reglas democráticas establecidas universalmente."

Según la mayoría de los analistas, Cuba necesita una segunda oleada de reforma o una transformación estructural orientada hacia un programa progresista de exportaciones que aumente el acceso de Cuba a mercados internacionales diversificados, especialmente en Europa y en América Latina. Cuba necesita también mantener el movimiento de su comercio con Rusia, China, y otras economías socialistas. Los principales obstáculos a dicho escenario son la insoluble situación política entre Cuba y Estados Unidos, y los grupos de interés de los dos países que se oponen a la reconciliación y a la apertura de la economía de Cuba.

Alternativas

En el marco de referencia de este obstáculo, las autoridades cubanas interesadas en acelerar el crecimiento democrático y mejorar las relaciones laborales hacen frente a las alternativas de instituir un programa moderado-progresista de mejoras o efectuar un cambio fundamental pero arriesgado.

La opción de imponer medidas moderadas-progresistas implicarían la adopción de reglas generales de relaciones laborales en vez de actuar caso por caso. Las reglas darían predictibilidad y transparencia a un sector empresarial mixto y cada vez más homogéneo. Esta alternativa permitiría el reemplazo paulatino del sistema de reclutamiento administrado por el gobierno y la adopción de una función intermedia para la administración de capital en las empresas conjuntas. La alternativa moderada-progresista reduciría el riesgo de los inversionistas y facilitaría la atracción de las IED en actividades intensivas en mano de obra tales como

industrias de montaje en las zonas francas recientemente establecidas. Esta opción aumentaría la eficiencia empresarial y la productividad laboral estableciendo un sistema de incentivos flexible y legalmente reglamentado para el sector de empresas conjuntas. Las firmas harían aportaciones al seguro social, al seguro de desempleo y a otras prestaciones que ahora provee el gobierno, y el exceso diferencial de ingresos de los trabajadores se regiría por un impuesto sobre ingresos. Los sindicatos en el nivel de empresas conjuntas del estado podrían negociar condiciones de trabajo y salarios dentro de los límites establecidos para ese sector por las autoridades nacionales.

La alternativa fundamental de reforma estructural se encargaría de las actuales insuficiencias ahorro/inversión y de la creciente desigualdad de condiciones laborales y productividad entre los sectores económicos. En vez de limitar las reformas al sector de empresas conjuntas del estado, esta opción tendría como fin iniciar un enfoque integrado hacia las condiciones del mercado de mano de obra y productividad en el plazo medio, y crear también mecanismos de relaciones industriales y reglamentos para toda la economía. Si se tiene en cuenta el envejecimiento de la población y consecuentemente el aumento de los costos del seguro social en el curso de los próximos 10 años, y la necesidad de aumentar la productividad para mantener la competitividad internacional y satisfacer las esperanzas del público que han sido sofocadas desde los años 1990, un modelo de alta productividad laboral podría ponerse en ejecución.¹¹ Los grupos que se consideran tener el potencial más alto de productividad y de aumento de la inversión son las empresas estatales conjuntas, el

sector de exportaciones, el auto-empleo urbano y las empresas pequeñas rurales y urbanas (que incluyen los productores agrícolas privados). La propuesta aceleraría el crecimiento en el sector estatal por transformación directa o indirecta. Si fuese necesario hacer cambios de política interna para crear una valoración positiva de la economía cubana entre inversionistas extranjeros, el estado podría descentralizar las instituciones empresariales y de seguro social, dando lugar a una autonomía en la toma de decisiones. Además, la recaudación administrativa de ingresos se reemplazaría por un impuesto sobre el ingreso y aumentos tributarios sobre las ganancias de las empresas. El fondo de seguro social se basaría en transferencias de propiedad de las empresas estatales y aportaciones de los trabajadores lo cual sería tan importante para el ahorro y la inversión como el sector de exportaciones centrales y de las empresas estatales. Los mercados de mano de obra efectivos reemplazarían las entidades de colocación de trabajadores por el gobierno y la determinación de sus salarios, presuponiendo reglamentación flexible de las tasas de salarios por sectores (exportación, turismo, industria, agricultura). Los sindicatos a los niveles la empresa y el sector, los trabajadores independientes, y las organizaciones de pequeños productores negociarían con la gerencia y con el estado las condiciones de trabajo.

Retos

La alternativa moderada enfrentaría la preferencia del gobierno cubano por negociaciones de IED, caso por caso, y la negativa del estado a discutir las condiciones de trabajo con representantes de firmas extranjeras,

individualmente o por sector. Además, la consulta nacional con la CTC en 1994 resultó determinadamente opuesta a los gravámenes sobre el ingreso laboral. Sin embargo, debido a la urgente necesidad que tiene el país para que el aumento del IED sea competitivo internacionalmente, y en vista de las iniciativas actuales para atraer IED,¹² es posible que el gobierno acepte un costo político a corto plazo por el hecho de apartarse de sus reglas anteriores sobre las consultas.

La segunda, y más radical, alternativa representa un alejamiento del enfoque socialista cubano hacia el trabajo y el bienestar social. El estado dejaría de ser garantizador de los derechos sociales y económicos, pasando a ser regulador de mecanismos y organizaciones para el reclutamiento básico y beneficios de la mano de obra. Esto último incluye seguridad social y seguro de desempleo. Las funciones del gobierno dejarían de proveer trabajos y fijar tarifas salariales y pasarían a ser reguladoras del mercado de mano de obra. El hecho de introducir o formalizar derechos sociales y económicos constituye un riesgo para el régimen, en vista de la falta de garantía de un aumento sustancial de financiamiento externo y de reestructuración de la deuda externa.

Con la alterativa moderada, la evolución de sindicatos y negociaciones laborales en el sector de empresas conjuntas se efectuaría independientemente de la CTC y serviría como modelo para actividad sindical en otro sector. El reto que esto presentaría sería moderado pero importante para el principio democrático de centralización que es tan fundamental para la arquitectura política del partido. El surgimiento de una

sociedad civil no socialista, implícito en la alternativa radical, y sus procesos asociados, evidentemente sería un reto significativo para el sistema

socialista de Cuba, reto que serviría como medida de la habilidad de Cuba para seguir las reglas democráticas establecidas universalmente. ■

NOTAS

1. Según la Comisión Económica de las Naciones Unidas para América y el Caribe, (ECLAC), el crecimiento del producto interno bruto (PIB) anual de Cuba aumentó 0.3% en 1996 y llegó a 6% en 1999.

2. Los trabajadores de restaurantes privados pequeños tienen que ser miembros de la familia y el restaurante se limita a 12 sillas. Las entradas individuales y el número de comidas que se sirven son reguladas por el estado.

3. Véase Francisco León Delgado, "Human Resources and Employment: What to do After the Special Period," en Archibald R.M. Ritter, ed., *The Cuban Economy: Performance, Problems, Policies and Prospects* (Gainesville: Florida University Press).

4. Un gran número de especialistas en Cuba están de acuerdo en que el mínimo de necesidades de nutrición abarca (50 %) de la alimentación distribuida mensualmente.

5. Véase La Economía Cubana, *Reformas Estructurales y Desempeño en los Noventa* (México: ECLAC, Agencia Sueca de Cooperación Internacional para el Desarrollo y Fondo de Cultura Económica, 2000), pp. 298 ff.

6. Según ECLAC, este aumento sería mayor si los subsidios que se concedieron a los trabajadores desempleados por las firmas de propiedades del estado fuesen incluidas.

7. Estos cambios fueron adoptados y efectuados principalmente entre 1993 y 1995, a pesar de que la autorización de IED había sido adoptada en 1980 y puesta en efecto con la adopción de la autorización de empresas extranjeras a principios de la década de 1990. El paquete de 1993-95

incluía unas reformas importantes: legalización de la circulación de moneda extranjera y de poseerla; reforma fiscal; autorización individual de oficios selectos de trabajo independiente; transferencia de tierra de cultivo a las cooperativas; autorización de los mercados de artesanías y de campesinos; reforma del Banco Central y del sistema financiero; fin del monopolio de las exportaciones del estado; y reorganización del sector de empresas estatales.

8. Pesos "convertibles" se denomina el dinero simbólico que se usa para equivalencia de dólares de Estados Unidos en tiendas del estado que venden exclusivamente productos importados.

9. Aproximadamente 1.3 millones de trabajadores reciben parte de sus salarios en pesos convertibles.

10. Debido a la emigración, la composición regional y racial de la población, los vínculos familiares y las influencias ideológicas, el dinero remesado del exterior tiene más probabilidades de llegar a las manos de familias no conformistas, de residentes de la zona metropolitana de la Habana y a los que no son negros, que a los que apoyan firmemente al gobierno y al régimen, al resto de los residentes del país, y a los negros.

11. El modelo socialista de Cuba se apartaría por consiguiente, del modelo de China y Vietnam que tiene una estrategia de exportación basada en bajos costos laborales.

12. Una de las iniciativas ha sido la apertura de una empresa conjunta del estado es lo ocurrido en la industria del tabaco—bajo restricciones relativamente macroeconómicas—que incluye la inversión extranjera; esta industria ya era competitiva y pudo obtener créditos externos anuales durante más de seis años consecutivos.

RIESGO DE LA INVERSIÓN EXTERNA EN CUBA

por *Otto Reich*
Presidente, US Cuba Business Council

Hay razones comerciales, políticas, y morales por las cuales la inversión en Cuba es un riesgo para la mayoría de las compañías.

RIESGOS DE LA INVERSIÓN

Es difícil citar estadísticas sobre la inversión externa en Cuba porque el estado controla casi todos los datos económicos, y no publique datos estadísticos o los distorsione. Según el gobierno, por ejemplo, Cuba tiene entre 250 y 500 empresas conjuntas con una inversión total que tal vez llega a los 5,000 millones de dolares. Estas no son cifras confiables. Además, se sabe que el gobierno de Cuba incluye los compromisos de inversiones futuras como movimientos actuales de capital para así dar la impresión de que Cuba recibe una gran cantidad de inversión extranjera. Por ejemplo, la compañía mexicana, Grupo Domos, anunció hace años una inversión en la red telefónica con un total de 1,500 millones de dolares (si el total del proyecto se hubiese completado), y el gobierno cubano inmediatamente difundió

este informe por todo el mundo. Realmente, la cantidad que Domos invirtió en Cuba fue aproximadamente 300 millones de dolares. Domos ya no está en Cuba y tiene un conflicto con el gobierno sobre su inversión. Otras compañías mexicanas han tenido experiencias similares.

El inversionista más grande por si solo, según se dice, es Sherritt International, compañía canadiense que recaudo 500 millones de dolares para inversiones en Cuba. Actualmente esta firma espera invertir ese dinero en otra parte. Como dice el presidente de la compañía "hay un límite sobre lo que se puede hacer en Cuba." Sin embargo, hace unos pocos años la compañía recomendaba a Cuba como un excelente lugar para operaciones porque entre otras ventajas nunca había tenido problemas laborales. Pero Sherritt encontró problemas con el gobierno—tal vez con los sindicatos.

First Key Project Technologies, otra empresa canadiense, proyectaba una inversión de 500 millones de dolares en

energía en Cuba. Después de una inversión original de unos 9 millones, la compañía descubrió que el gobierno de Cuba le había robado los planos y estaba tratando de vender el negocio en Europa. Asimismo el gobierno había confiscado el equipo de la compañía. Según First Key, Cuba no es un sitio de confianza para invertir.

Estos y otros ejemplos canadienses fueron, sin duda, parte de la razón por la cual el Primer Ministro Jean Chretien en 1999 anunció que las relaciones con Cuba se habían enfriado. La principal razón de esto, sin embargo, fueron los derechos humanos. El Primer Ministro había solicitado la libertad de cuatro disidentes pacíficos que estaban en la cárcel, y que habían sido en alguna ocasión miembros del gobierno. Castro se desentendió de la petición, y el Primer Ministro dijo que iba a extender una cortina de aire frío canadiense entre Cuba y Canada.

Estas experiencias, y son solo unas pocas de las muchas que se han citado, demuestran que las relaciones comerciales con Cuba al igual que con cualquier país no democrático, son muy arriesgadas. *EuroMoney Magazine* colocó a Cuba como el peor riesgo para inversiones en el mundo, aún peor que Somalia. *The Index of Economic Freedom* de la Heritage Foundation calificó a Cuba en segundo lugar entre las economías reprimidas del mundo, detrás de Corea del Norte, y

"Todas las empresas extranjeras sin tener en cuenta el sector industrial, están enteradas de que la situación en Cuba es arriesgada porque no están funcionando en un nivel de igualdad. Las reglas del juego favorecen al gobierno y están en contra de los trabajadores."

“Debido al régimen autoritario y a la presencia de los militares y de la policía, los trabajadores recurrieron a la resistencia pasiva, a bajar la producción, a actividades ilícitas o al exilio.”

describió a Cuba como el país menos libre económicamente de América Latina. *Institutional Investors Country Credit Risk* puso a Cuba en el número 127 entre 175 países como riesgo para inversiones.

Entonces ¿a qué se debe que los informes de la prensa indican un gran interés en Cuba como destino para los empresarios? Una de las respuestas es que algunas de las empresas extranjeras establecidas en Cuba han tenido ganancias. Además, algunas empresas conjuntas tales como la industria hotelera tienen contratos de servicio o de administración en los cuales arriesgan muy poco puesto que solo administran, en vez de ser dueños de propiedades y lo hacen en la economía de moneda convertible. Sin embargo, todas las empresas extranjeras sin tener en cuenta el sector industrial, están enteradas de que la situación en Cuba es arriesgada porque no están funcionando en un nivel de igualdad. Las reglas del juego favorecen al gobierno y están en contra de los trabajadores.

CONDICIONES LABORALES

Las condiciones laborales de Cuba son explotativas. En un informe

*Efrén Cordova y Eduardo García Moure, “Executive Summary,” *Modern Slavery: Labor Conditions in Cuba*, Institute for Cuban-American Studies, Occasional Paper Series, University of Miami (abril 2000).

reciente Efrén Córdova y Eduardo García Moure describen acertadamente la situación:*

“Desde los principios de la revolución los trabajadores sufrieron bajos salarios y prolongadas semanas de trabajo. El régimen estaba interesado en formación de capital y aumentos de productividad laboral. El gobierno simplificó la escala de salarios y congeló los salarios. Se eliminaron los bonos y otros pagos suplementarios conseguidos con mucha dificultad por los sindicatos antes de la revolución y también se eliminó el tiempo suplementario. Las escalas austeras de salarios fueron reducidas con exhortaciones constantes de las directivas revolucionarias que pedían que se trabajara más, por más horas, que se hiciera trabajo voluntario, movilizaciones en masa (especialmente para el trabajo en el campo y en la cosecha del azúcar). Estos pedidos de trabajo voluntario incluyen a mujeres y niños. La agenda oculta: extraer más valor de los trabajadores

cubanos, aproximadamente 2,000 millones de dolares producidos solamente por el trabajo voluntario.”

Huelgas y protestas se hubiesen esperado en esas condiciones, pero el gobierno no permitió oposición alguna. Debido al régimen autoritario y a la presencia de los militares y de la policía, los trabajadores recurrieron a la resistencia pasiva, a bajar la producción, a actividades ilícitas o al exilio.

En los últimos años, se han formado unos doce sindicatos independientes pero el gobierno no reconoce ninguno. Los que han tratado de formar sindicatos independientes han parado en la cárcel, hasta por ocho años. La única organización sindical reconocida es la Confederación de Trabajadores de Cuba (CTC) que no es una organización de trabajadores sino un ramo del régimen.

Durante las dificultades de Cuba en el reciente “período especial” (el fin del subsidio de 5,000 millones de dolares al año concedido por la Unión Soviética), el gobierno empezó a tratar de atraer inversión externa. Hay muchos cubanos que trabajan en estas empresas conjuntas. Pero como reciben sus salarios en pesos, aunque las firmas extranjeras pagan al gobierno en dolares por el trabajo, reciben solamente 5% de lo que ganan realmente. El estado se embolsilla el resto—esto constituye una tasa de confiscación del 95%. Muchos cubanos

“Como reciben sus salarios en pesos, aunque las firmas extranjeras pagan al gobierno en dolares por el trabajo, reciben solamente 5% de lo que ganan realmente. El estado se embolsilla el resto—esto constituye una tasa de confiscación del 95%.”

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"El estado controla la totalidad de la sociedad—los poderes ejecutivo, el legislativo, y judicial, todos los medios de producción, y por supuesto la policía y las fuerzas militares."

resienten el sistema de "apartheid" que ha creado la inversión extranjera en Cuba. Los cubanos que trabajan en el sector extranjero o en turismo suponían ser los que más se beneficiaban de la revolución. Pero los derechos humanos de los trabajadores descritos anteriormente demuestran la falta de logros de la revolución. Creo que moralmente es equivoco tener negocios con un país que tiene condiciones laborales tan deplorables.

CONTINUACIÓN DE LAS PRESIONES QUE SE HACEN A CUBA

Yo no creo que el enfrentamiento comercial es el medio de abrir regímenes totalitarios como el de Cuba. El estado controla la totalidad de la sociedad—los poderes ejecutivo, el legislativo, y judicial, todos los medios de producción, y por supuesto la policía y las fuerzas militares. En mi opinión los regímenes totalitarios no responden a las presiones externas como los regímenes autoritarios. Sur África fue autoritario, y reaccionó ante las presiones de los Principios Sullivan y del boicot multilateral internacional. Human Rights Watch, una organización que vigila estrechamente la situación en Cuba, no concuerda en términos generales con el uso de sanciones económicas unilaterales. Sin embargo, debido a las condiciones de derechos humanos en Cuba que son tan malas y debido a que se

ejerce muy poca presión al gobierno por parte de los países que están participando, Human Rights Watch recomienda la internacionalización de las sanciones económicas. Un buen número de gente actualmente dice lo contrario—retiren las sanciones y la dictadura desaparecerá. En mi opinión las presiones que se hacen a Cuba deben continuar hasta que el gobierno responda positivamente.

Sin embargo, no estoy en contra de utilizar los elementos no dictatoriales del gobierno de Cuba. Después de 41 años, es claro que son pocos los cubanos de la isla que aún creen en el sistema. La situación allí es de disimulación; los cubanos "pretenden" apoyar el sistema porque el estado es básicamente el único empleador del país y es quien expide tarjetas de racionamiento. Si los cubanos no apoyan el sistema (o pretenden apoyarlo), ni ellos ni sus familias recibirán suficiente para comer. Pero como las tarjetas de racionamiento no proveen suficientes alimentos para que las familias sobrevivan, los cubanos se han visto obligados a traficar en el mercado negro para obtener productos de primera necesidad.

El mundo exterior debería tratar de obtener los mejores resultados posibles para el pueblo de Cuba tal como se hizo en Sur África. Debe evitarse un largo período de transición. Evidentemente un gobierno democrático no ocurrirá en Cuba de la noche a la mañana. Cuba debe beneficiarse de las experiencias de transición de Europa oriental.

Además, Cuba tiene a su favor elementos que las sociedades post-comunistas de Europa no han tenido—acceso al capital y a la ayuda técnica de sus vecinos, Canadá, México, y Estados Unidos, y la comunidad cubano-americana. Los cubano americanos pueden desempeñar un papel importante en la transición pacífica de Cuba y en su reconstrucción económica. La comunidad cubano-americana tiene un producto interno bruto varias veces más grande que el de toda la isla de Cuba. Esto no significa que los cubano-americanos irán a Cuba o comprarán la isla, pero sí van a ser los primeros en invertir y en arriesgar su capital.

CONCLUSIÓN

La participación comercial en Cuba no ha traído consigo una apertura política irreversible. En Cuba, no hay instituciones fuera del control del gobierno; ni periódico, ni radio, ni televisión, ni asociación cívica u otra institución usualmente asociada con una sociedad civil. Por consiguiente, creo que es moralmente y también políticamente equivoco invertir en Cuba. La marea de la historia claramente se ha alejado del colectivismo marchando hacia la empresa privada apartándose del comunismo y acercándose a la democracia. Cuando se instale un gobierno democrático en Cuba, como seguramente lo estará, los trabajadores ya no serán explotados. El pueblo de Cuba ha sufrido tanto que el mundo exterior debe tratar de hacer presión moral al gobierno y a las compañías que ayudan al gobierno, intencionalmente y sin intención. Si no ocurre otra cosa un a estrategia de esta clase ayudaría a poner de relieve la condición interna de Cuba. ■

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VOL. XXII, NO. 2a
enero de 2001



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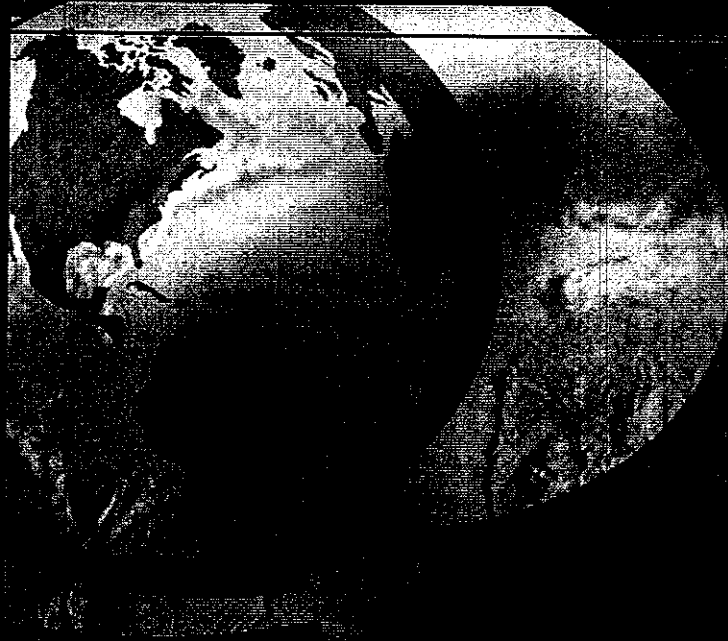
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LOOKING AHEAD

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on Work and Family**

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The National Policy Association brings together business, labor, and other leaders to identify solutions to emerging economic and social challenges in the United States and internationally.

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Looking Ahead (ISSN #0747-525X) is published quarterly by the National Policy Association, 1424 16th Street, N.W., Suite 700, Washington, D.C. 20036-2229. Tel (202) 265-7685; Fax (202) 797-5516; e-mail npa@npa.org; Internet www.npa.org. Copyright 2001 by the National Policy Association. Short quotations with appropriate credit are permissible. Opinions expressed by the authors are their own and do not necessarily represent the views of their organizations or of NPA.

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A World Transformed

*by Anthony C.E. Quainton
NPA President and CEO*

Articles in this issue of *Looking Ahead* look to the future with a special sense of purpose. It is commonplace to say that the world has changed irrevocably since September 11. But, in fact, many of the most important changes that lie ahead were already under way or clearly discernable when America was attacked. The National Policy Association's long-established effort to focus on salient, emerging themes is reflected in this issue, which analyzes changes that we can anticipate in our national workplace and in relations with three of our neighbors: Mexico, Canada, and Cuba.

Global terrorism has brought a new focus on security. It has also brought a new sense of insecurity to the lives of millions of American families. This new concern has been added to the many other stresses relating to working conditions, job security, and family commitments. All pose serious challenges to the health of America's working families. Ellen Galinsky's article thoughtfully explores these new stresses and suggests ways in which business and society can address them.

The remaining articles look at America's neighbors, all of which are undergoing important transformations. For our two contiguous neighbors, NAFTA has been an engine of change in a world of increasing economic integration. But far more needs to be done in the area of energy and infrastructure if North America is to become a more functional union over the next two decades. September 11 has made us all too aware of the importance of our northern and southern borders and of our dependence on Middle Eastern oil. An important part of the solution is an integrated, deregulated energy market in North America. Joseph Dukert points the way to a new understanding of what our mutual dependence means.

From only one of our neighbors—Cuba—are we profoundly estranged. The legacy of the Cold War hangs heavily over the relationship. Yet, here too, change is on the way, perhaps sooner than we anticipate. In looking toward a transition to democracy, we need to understand how the existing Cuban socialist system works and how it is likely to evolve. Philip Peters and Efrén Córdova give us different, but important, perspectives on the role of labor in the Cuban economy.

The bottom line for *Looking Ahead's* authors is the inevitability of change. NPA, committed to finding "Policy solutions for the 21st century," welcomes their diverse and provocative views.

THE IMPACT OF SEPTEMBER 11 ON WORK AND FAMILIES

By Ellen Galinsky

There are brief moments in New York City on a beautiful, sunny day when life seems almost normal. Then reality returns with a glimpse of the smoking, skeletal remains of the Twin Towers.

I recently attended a memorial service for a 40-year-old man who was killed in the Twin Towers attack. He had been married for just a year and a half and had his life ahead of him. In giving one of the eulogies, his brother said that he felt as if he were standing with his back to the sea. Waves continued to sweep over him. He could not tell when they would come or how large they would be. We all feel as he does, whether or not we lost loved ones in the attacks in New York and Washington, D.C. Each of us wonders how to cope and how to contribute.

RESPONSES TO CHANGE

Family life and personal life have typically been seen as a distraction from work, an interference. As an example, a young woman I know was working in her office in New York City on September 13 when she heard the authorities on bullhorns advising

people to evacuate because of bomb threats in the neighborhood. Employees were streaming out of nearby buildings. As a single parent of an eight-year old child, she was frightened and wanted to be with her son. When she asked her boss if she could leave, he said, "No. I don't care if there are bombs. We have work to finish."

Although such exchanges between a boss and an employee do take place, even in the best of companies and over issues that are less life threatening than a bomb scare, they are increasingly rare. The Families and Work Institute (FWI) has noted this decrease empirically in its studies (for example, in its *National Study of the Changing Workforce*) that track how nationally representative groups of employees feel they are treated when a personal or family issue emerges at the workplace.

The way that supervisors respond to the personal and family issues of employees has changed, even over the past five years. Such changes are much more complicated than instituting workplace programs or policies, as important as those

are, because they involve a change in behavior and in culture.

Further changes are needed, given today's different landscape in which all of us are standing with our backs to the sea, where waves, small and large, are sweeping over us. We are living not with predictable post-traumatic stress syndrome, but with new territory.

Nevertheless, the shifts that people have been exhibiting were latent; the



The author is President and Cofounder of the Families and Work Institute. This article has been adapted from her address at NPA's New American Realities Committee meeting on November 8, 2001, held in New York City. The author also presented this topic at the Working Mother Congress in October 2001.

“Everyone, from the CEO and now especially to the mail room employee, is asking ‘Will I be safe? How can I cope? How can I contribute?’”

events of September simply brought them into clearer view. These shifts show the desire among us all to do work that is meaningful and to be able to focus on the people who are important in our lives.

The reaction of university students to September 11—that it has made them think with greater clarity about what they want to do with their lives—attests to this desire. People at work are also asking themselves, “What is of value, what is core?” If we have to leave our loved ones to go to work every day, we want that work to mean something.

This focus is not new. FWI research has increasingly shown that quality jobs—where employees believe that their work is meaningful, challenging, and makes a difference—are critical to the way that people manage their work lives and their home lives. The emphasis on meaningful work has clearly become louder and stronger. So, too, has the emphasis on family and personal life.

A letter to the Friends of FWI after the September 11 attacks said: “Through all the heart-wrenching sadness of the past few months and in the uncertain days ahead, the relevance and power of the bonds

between workplace, home, and community are undeniable.”

Everyone, from the CEO and now especially to the mail room employee, is asking “Will I be safe? How can I cope? How can I contribute?” Far too many are also asking “Will the business downturn mean that I don’t have a job?”

There are 10 essential tasks to help employees and employers cope, find meaningful work, and contribute.

1. Continue to Ask Employees What They Need

No one knows what lies ahead, but we have to be ready. Companies will be able to address employees’ needs for coping during these times only by continuing to ask them what their concerns are. At the top of worker concerns may be job security, not just safety, and companies will have to address that issue as well.

The same is true for family and friends outside work. FWI is administering a new study of children and violence (in the “Ask the Children” series) in which children are asked, “If you could make one change that would reduce the violence in your lives, what would that change be?” Although the study was not planned to address the current situation, it is certainly timely. Children can tell us things that we need to know. So can employees.

2. Destigmatize the Need to Ask for Help and Provide Opportunities for Employees to Do So

FWI recently conducted a conference call with the companies that are part of the Conference Board’s Work-Life Leadership Council on their responses

to the September 11 attacks. Each one spoke of their employees’ desire to tell their stories, although many employees felt that there was a stigma in reaching out to one another. It is as if everyone has a mental picture indelibly etched on their consciousness of a big Freudian couch like the one in *The New Yorker* cartoons about therapy. We say that we do not need that kind of help, that we do not have those problems.

Yet we all need to talk to and reach out to each other in these trying times. Employers should change their language from a deficit to a strengths approach, perhaps even avoiding the use of the word “counseling” to be able to reach everyone. The approach could be called “wellness” or “education” or “briefings” or “resilience” because it encompasses all of these.

Whatever companies call it, they must do it. They should set up seminars on “Leading in an Uncertain World” and “Living in the Moment,” as one firm did. They should create affinity groups where parents can talk with other parents, care givers of the elderly can talk with similar care givers, and singles can talk with other singles. Hot lines, chat rooms, and vendors who offer information and counseling are important in helping people to cope.

These measures are crucial because, even before September 11, there were signs that the well-being of employees was in jeopardy. One of the findings that led to FWI’s recent study on *Feeling Overworked* was a statement from the World Health Organization that in both industrialized and nonindustrialized countries, clinical depression is expected to replace cancer as the number two cause of death and disability by 2020. This trend is occurring in

“Companies must find new ways to create traditions at work and to uphold old ones. They must help employees realize the importance of establishing and upholding traditions at home.”

part because people with cancer are living longer and in part because of the pervasiveness of emotional health issues and the stigma associated with getting the necessary support and help.

The tragedy of September 11 and the ensuing events have hit particularly hard those who were already stressed or suffering from emotional problems. In addition to offering help through traditional methods, employers can provide support through meditation, tai-chi, chi gong, or yoga. The work of attending to the well-being of all employees—of helping them respond to the waves, large or small, that are

sweeping over them—is more crucial now than ever.

3. Create New Traditions at Work and Uphold Old Ones; Help Employees Do the Same at Home

An event at KPMG illustrates the need for tradition. At 11 o'clock one morning soon after the attacks, employees received an e-mail from the main office inviting them to gather at the flagpole at 1 o'clock. Not many even knew that KPMG had a flagpole, much less where to find it. But hundreds of employees found their way to the flagpole to share their stories, to

console each other, to sing, and to have a moment of silence during which everyone held hands. Some employees did not get the e-mail in time to attend that gathering, so at 3 o'clock a second spontaneous ceremony was held at the flagpole. That ceremony, much needed to help people through those tough times, will probably become a tradition. Tradition, routine, and rituals serve as lights that guide people over rough waters.

In my book *Ask the Children*, children told me they would remember most from this period their everyday family traditions—the wake-up song in the morning, the Friday evening dinner when each person told about his or her week, and the biscuit making on Sunday morning. Similarly, when Morrie, the dying professor in the book *Tuesdays with Morrie*, was asked what he would do if he had his health back for just one day, he talked about the everyday traditions that made his life meaningful.

Companies must find new ways to create traditions at work and to uphold old ones. They must help employees realize the importance of establishing and upholding traditions at home.

4. Help Employees Help the People Who Are Close to Them

When the United States began air strikes in October, I was with some young parents who were watching the events on television. Children were also present, seemingly playing and not looking at the TV. I suggested to one parent that perhaps her child should not be watching the news coverage. She replied, “He’s not watching; he’s playing.” But his eyes said otherwise; while he was surreptitiously playing with toys, he was really trying to



“Companies must continue to assist employees in understanding how, with families and friends, to handle an unfolding situation.”

figure out what was going on with the adults. Children watch adults all the time, learning from them and looking for clues to understand their moods and behaviors.

FWI has been gathering data on “Employers’ Responses to September 11” (available at www.familiesandwork.org). Many companies have been doing an excellent job in providing information to employees on how to help their loved ones cope. As the landscape changes, there will be an ongoing need for new information. Companies must continue to assist employees in understanding how, with families and friends, to handle an unfolding situation.

5. Help Managers Help Others

Managers, of course, are central to the functioning of companies. Managers will say that their job is to get people to produce, not to be social workers. Managers are the culture carriers. They are the ones who handle emergencies and everyday situations with skill. Yet many are unsure of what to do in the new climate. Nevertheless, they see what is going on, and they have to make decisions. For example, an employee refuses to leave her home after the attacks and insists on telecommuting. Is that acceptable to the company and for how long? Should she be given counseling? Another employee cannot focus on his work. He is irritable, not working, and angering his team members. What should be done?

How should the company respond to a sales employee who says that his family does not want him to travel? Employers ask, “Is paranoia now normal?”

The emotions and minds of people cannot be divided; studies that examine the development of the human brain clearly show that the two are very interconnected. Emotional well-being is tied to the capacity to create a product, to make a deadline, to deliver on time.

Companies must support managers. They should give them written materials and provide briefings on how to deal with the changes that might be expected from employees. Firms should also help managers realize that they may need to ask for help and what help is available.

6. Company leaders Should Continue to Provide Ongoing Communication with Employees

It was striking, but not surprising, to hear how important the leadership of companies has been in these trying times. In collecting companies’ responses to the September 11 attacks, FWI heard many reports about the CEOs and other top leaders who talked with employees about how they were doing or who sent daily e-mail messages of support. Ongoing communication between company leaders and staff is particularly necessary now.

In addition, employees feel proud to be a part of an enterprise in which the CEO designated the company plane to

provide medical supplies for the injured in New York, commends employees for how well they are managing, or used the money earmarked for the office holiday party to make a charitable donation instead.

7. Help Those Who Help Others

The people in the company whose job is to help employees—human resource professionals, counselors, and others—will need help and support themselves, as will the organizational leadership. People who help others must also care for themselves. This is not selfish, but necessary.

8. Focus on Work Redesign Efforts and on Making Work Meaningful

A number of organizations have been engaged in efforts to redesign work, taking the whole employee into account. The call for meaningful work is even more salient today. If we must leave our loved ones and brave the transportation system to go to work, if we have to take planes and trains, cross bridges, and go into tunnels, we want the work that we do to be important.

It has been statistically proved that job quality and a supportive workplace make the difference in whether employees go home satisfied and energetic. But in a period of cost cutting, how can firms focus on work redesign? Today, employees and employers are doing more with less. Companies are downsizing, fewer people are doing the work, and more is expected of them. How can companies focus on good quality, reasonable jobs when the economic stakes are so high?

Nevertheless, we know that we must make work more meaningful. The companies that pay attention to how

"Companies respect diversity. They have been watchful for signs of discrimination and have emphasized the importance of respect and responsibility."

people work and to making work reasonable will fare better in the long haul, as the findings in this field confirm. A telecommunications executive recently told me, "We have to make it better for people to work in this environment. It is as true for me as it is for the 35,000 employees in the business I manage."

9. Focus on Diversity

On September 13, FWI held an all-staff conference call. Members of the staff had very different reactions to the Twin Towers and Pentagon attacks. Some wanted to talk about how we as an organization might contribute, while others wanted to talk about their feelings and were upset by the discussion of work. One person reported that she would no longer fly, a remark that upset another staff member whose husband has to commute to work by plane each week.

Diversity encompasses more than gender, race or ethnicity, age, personal and family status, and religion. It also includes the quite different ways that each person thinks and responds. There are clear differences within as well as among groups.

FWI's list of "Employers' Responses to September 11" shows that companies respect diversity. They have been watchful for signs of discrimination and have emphasized the importance of respect and responsibility. One employer with a significant number of Middle Eastern employees in small businesses

around the country reported, not surprisingly, of increased incidents of harassment. The firm developed a way that the scattered employees could talk to each other and to professionals for help in responding to any persecution. DuPont provides a letter for their employees to carry with them stating that they are traveling on DuPont business. The company has a 24-hour hotline to verify this fact.

10. Continue to Offer Opportunities for Employees to Be Connected to Their Communities

Research shows that taking steps to address a problem is an important

aspect of recovery and resilience for both the young and the elderly. Companies have had blood drives, food drives, and days of remembrance. They have given employees time off to assist in these efforts. Such measures should not be considered simply an immediate response to the attacks, but should be part of an ongoing strategy.

CONCLUSION

It is clear that now more than ever, companies must address the whole employee. In addition, many people believe that this tragedy has helped them to treasure each day. Perhaps more are learning to be thankful for what they have and not to dwell on what they do not have. If people can incorporate these principles into their work and home life, both will improve. It is not a win-lose situation, but a win-win for all. ■



MUTUALLY REINFORCING, BUT DISTINCT, NATIONAL ENERGY POLICIES FOR NAFTA

By Joseph M. Dukert

The energy economies of Mexico, Canada, and the United States are growing steadily more interdependent with each new pipeline and power line that crosses the borders. This is a healthy development, despite the wails heard last Winter and Spring stemming from temporary energy shortages and soaring prices in all three countries. That extraordinary situation resulted from a combination of drought, cold weather, a long period of naive energy policies by California, and a poorly conceived and executed effort at utility deregulation in that state. The shortages and price hikes certainly were not caused by the North American Free Trade Agreement (NAFTA), by free trade, or by the genuine, ongoing shift toward allowing the laws of supply and demand to determine where, when, and how energy resources are tapped and distributed. These are part of the solution to energy problems for each country.

The author is Energy Consultant and Senior Advisor, North American Commission for Environmental Cooperation, North American Free Trade Agreement. This article has been excerpted from the author's opening remarks in a panel discussion on "The Challenges for a Common Energy Policy in North America" at the October 19, 2001, meeting of the North American Committee in Mexico City.

DIFFERENT PROBLEMS BUT COMPLEMENTARY INTERESTS

In terms of "solving" energy problems, however, the problems (and thus their solutions) are not identical for Mexico, Canada, and the United States. The three nations vary considerably in population, geography, natural resources, and energy balance. These and other differences are bound to be reflected in their respective energy outlooks.

Ignoring for a moment the recent global economic downturn, demand for all forms of energy is expected to increase more rapidly in Mexico than in its two NAFTA partners over the next several decades. This growing demand will come from fast-rising residential and transportation living standards, as well as from industrial and overall economic development resulting from Mexico's relatively new role as a member of the Organization for Economic Cooperation and Development (OECD). While the United States depends on imports for a significant share of its energy budget, both Canada and Mexico are net exporters of total energy. Oil exports are especially critical economically for Mexico, although the country has become (for the time being) a net

importer of natural gas from north of the border. It would be easy to enumerate other major differences that might affect national energy interests.

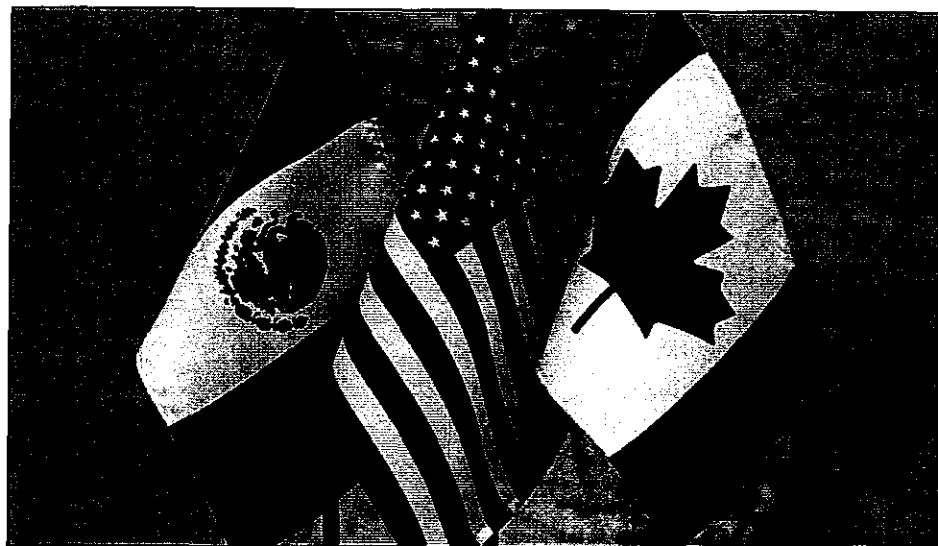
Nevertheless, the three countries have bonded into the largest and most successful energy market in the world. A complex of circumstances permitted this, and the interests of the three in strengthening this market are now clearly complementary. Gas trade between the United States and Mexico, for example, falls naturally into a counterclockwise flow—moving southward along the western part of the border and northward in the east. With the development of the Burgos Basin, Mexican gas could at times in the future flow to Houston and eastward as well as to Monterrey; simultaneously, a pipeline could supply U.S. gas to Samalayuca's clean new generating equipment in the state of Chihuahua. Several Canadian provinces trade more electricity with the United States than they do with the rest of their own country, and an important amount of electricity swapping takes place between the United States and Canada on a seasonal basis. Utilities in Texas furnish electricity as needed to Mexican border areas, yet one-third of the power to be generated by Rosarito 10 and 11 (an installation authorized in 2000 by

"Trade works in both directions, so there are no 'junior or senior partners' in the North American energy community."

the Comisión Federal de Electricidad [CFE] at Mexicali) is now designated to go to San Diego. Trade works in both directions, so, in the words of U.S. Energy Secretary Spencer Abraham, there are no "junior or senior partners" in the North American energy community.¹

A TRILATERAL FOCUS ON ENERGY ISSUES

This is more than rhetoric. In March 2001, the three energy ministers agreed to set up a trilateral Working Group system to address specific issues. Mexico has assumed the lead position in the subgroup devoted to *energy efficiency*, a critical area. A unit of energy saved is just as valuable as the same unit in the form of oil, gas, coal, or electricity, and it may be more economical over time. Canada leads the subgroup on electricity. The United States, with the resources and experience of its semi-autonomous Energy Information Administration, is focusing initially on how to consolidate methods of timely measurement and uniform accounting through a third subgroup. A fourth chosen area of concentration is science and technology, which may be addressed by a series of bilateral measures. It is probably also reasonable to assume that the Working Group will deal in the future



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with other areas of common interest, such as regulation and appropriate applications for renewable energy.

The Commission for Environmental Cooperation, another trilateral group, is distinct from the Working Group and lies completely outside the energy ministries. The CEC was established under a side agreement during ratification procedures for NAFTA, and it brings together the heads of the federal environmental agencies of each country. Because energy and environmental policies overlap, the CEC Secretariat in Montreal is currently circulating for public comment a number of draft working papers, studies, and a discussion paper that laid the groundwork for a two-day symposium in La Jolla, California, November 29-30, 2001, on "Electricity and the Environment."²

There seemed to be broad accord that some government interventions were needed (even under free market rules) in all three national jurisdictions—most likely in the form of mutually accepted emission standards, transparent regulatory hearings, and an effort to simplify the hodgepodge of contradictory rules that even include a

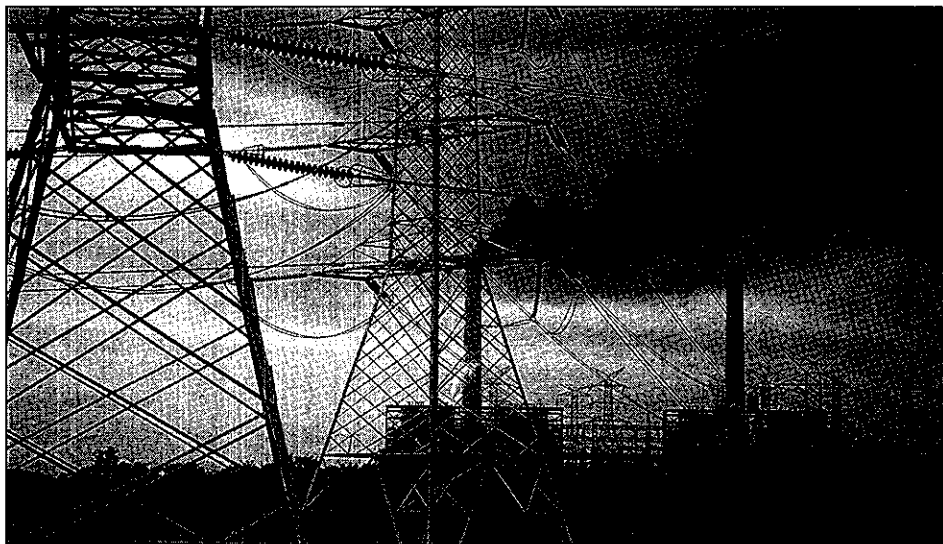
large number of different definitions for renewable energy. Yet, there was ample evidence that the many differences among the three NAFTA partners all but precluded the possibility of universal identical standards. Subnational cooperation (including nongovernmental as well as governmental actors from various levels) has already begun on a regional basis along the borders in both the Southwest and Northwest United States. This approach holds considerable promise.

One finding has been that forecasts of environmental results are exceedingly difficult because of unpredictable variables, including economic growth, which is a basic determinant in demand for electricity. The CEC publications are evenhanded, noting the potential benefits of international electricity trade, but also the dangers of "pollution havens" (which may be either domestic or transborder) and the costs to public health of emissions that may reach considerable distances from their points of origin and may interact with pollutants from other sources.

Early in 2002, the CEC Secretariat will submit a final report to the

commission council, which consists of Canada's Environmental Minister David Anderson, head of the U.S. Environmental Protection Agency Christie Todd Whitman, and Mexico's Minister for the Environment Victor Lichtinger. It will not be surprising if one of the council's recommendations is a plea for some uniformity in the multiplicity of "Renewable Portfolio Standards" that are being enacted in various jurisdictions.³ While the intent of the standards is to encourage non-depletable energy sources that may be cleaner than some conventional fuels, the disorganized way in which they are being adopted in the United States has caused confusion and conceivably might even lead to complaints under NAFTA of de facto discrimination that violates the treaty's guarantee of "national treatment." For example, some jurisdictions define renewable energy as including hydropower only if it comes from small dams; others fail to consider geothermal energy at all. At state boundaries or borders, such rules can pose barriers to the movement of electricity as invidious as import quotas.

This single example also illustrates an important point: national energy policy, whether Canadian, Mexican, or U.S., does not emanate from any single source. Besides coming from the office of the chief executive, national energy policy is developed by legislatures, courts, government entities below the federal level, and private sector enterprises (who ultimately supply the bulk of investment); in addition, non-governmental organizations such as unions, environmental groups, and industrial associations may have considerable influence in implementing, if not in formulating, policy. A nation's



tax policies help to determine the willingness and ability of investors to risk their capital in searching for and developing natural resources, in improving delivery infrastructure, and in applying new and expensive technology. The level of interest rates and prevailing opportunity costs help to determine how long investors are willing to wait for a payback in capital-intensive renewable energy projects or sweeping programs of modernization for the sake of energy efficiency.

HARMONIZATION OF ENERGY POLICIES UNDER NAFTA

From this discussion, it may seem to be an intimidating task to seek any type of harmonization among three national energy policies or even to precisely describe those policies. Nevertheless, some generalization is possible.

Same Energy Goals

Having had in-depth experience with the development of U.S. energy policy for more than two decades, having examined the history of U.S. energy policy over more than two centuries, and having studied the national policy

efforts of other countries, I have concluded that nations' energy goals invariably fall into five general categories:

- adequacy of energy supply;
- affordability to consumers;
- reliability of supply;
- protection of public health, safety, and the environment throughout the energy cycle of production, delivery, and use; and
- minimization of the time it takes to balance the first four goals—because balance and trade-offs are always required.

These generic goals might be defined differently in each country and even in various parts of the countries. What is "affordable" in Toronto might not be regarded as such in Tabasco. The regulations needed to guarantee acceptable air quality in Montana are not the same as those in Mexico's capital city. Nevertheless, it is astonishing that energy cooperation among the three NAFTA partners offers opportunities to move toward *any* of these goals in *all three places*.

Energy interdependence is not a panacea. Just as NAFTA—despite its overall success—has not been uniformly beneficial to everyone at all times in each

country, the creation and strengthening of the continental energy market has a few negative aspects. This is why the matrix of benefits outlined at the end of the article includes some disadvantages as well as advantages. But the overall positive results come close to being indisputable. This is not a zero-sum game in which one player profits only at the expense of another. With proper cooperative planning, extending power grids across the borders, for example, can increase the reliability, adequacy, affordability, and environmental acceptability of energy in all three national jurisdictions simultaneously.

Facilitating the Process

Achieving energy interdependence is easier said than done, however, and it cannot be accomplished overnight. The process is facilitated by the international tendency in energy industry restructuring to separate the functions of production, long-distance transport, and distribution to consumers.⁴ Technologically, it is aided by developments such as the combined-cycle combustion turbine, which together with international electronic energy marketing makes natural gas and electricity almost fungible commodities. From a regulatory standpoint, harmonization of energy policies requires continued dedication to the following measures, which authorities in each country have pledged to pursue:

- (1) market competition;
- (2) clear, transparent, and stable rules;
- (3) minimization of barriers to entry; and
- (4) free access to transmission and distribution networks.

In the interest of minimizing price volatility, more robust energy trade also relies on broader understanding and

acceptance of mechanisms such as futures markets. Above all, it is important not to reverse the trend toward market-based development because of an aberration such as the California debacle.

The full benefits of electricity trade will come only when all three countries have improved their respective grids. Canada's Energy Minister Ralph Goodale says: "There is support at all levels on the Canadian side for an international self-regulating reliability organization to develop and enforce mandatory standards."⁵ In the U.S. Congress, the preference could be for augmenting the powers of the Federal Energy Regulatory Commission (FERC) to enforce decisions reached by consensus within the North American Electricity Reliability Council (NERC), the nongovernmental organization that includes representatives of the industry in all three countries. Indeed, this is the course endorsed in a new study by the United States Energy Association (see discussion on the USEA study below). In Mexico, it seems essential that the grid be strengthened in a variety of ways to provide more "reactive power." This step is necessary to absorb large-scale infusions from the United States via two-way transmission corridors (such as the long-proposed Tucson-Sonora Interconnection) without risking problems of voltage stability and severe line losses over long distances.

Finally, it is worth noting that harmonization of policies does not require specifying a single pattern of ownership for basic energy resources. There is no reason why CFE and Bonneville Power cannot coexist with rural cooperatives, provincially or municipally owned systems, independent power producers, and stockholder utilities such as Exelon.

Energy interdependence under NAFTA invites cooperation beyond commodity trade. Investment, research and development, technology transfer, and the simple exchange of ideas are also logical items on the trilateral agenda. The analytical matrix presented here offers a checklist—which I urge responsible officials in all three countries to critique and augment. It is clear now that an improved market in itself will benefit all. So, if the generic national energy goals (adequacy, reliability, and so on) of all three nations fall into a pattern, we can focus on finding policies that move in the direction of one or the other of those goals through the market. Thus, we can take two steps forward with each new project instead of one.

RECOMMENDATIONS FROM THE UNITED STATES ENERGY ASSOCIATION

USEA had this in mind as it developed recommendations that are contained in a report entitled *Toward an International Energy Trade and Development Strategy* (referenced above). This is fundamentally a private sector effort, but it is intended to follow up on and try to particularize the National Energy Policy produced by Vice President Dick Cheney and other U.S. administration leaders.

One of the five sections in the USEA report is devoted entirely to North American energy. Perhaps the most novel of its recommendations builds upon the congressionally mandated Clean Energy Technology Exports Initiative (CETE), jointly led by the U.S. Department of Energy, the Commerce Department, and the Agency for International Development. USEA recommends that the agents of

CETE work with the Mexican government to develop a coordinated plan of action to foster rapid development and introduction of clean energy systems in Mexico, including, but not limited to, renewables and energy efficiency projects.

This initiative could mesh quite well with a Mexican initiative announced in October 2001 by officials of the Comisión Reguladora de Energía (CRE), the Energy and Environmental Ministries, and the National Commission for Energy Conservation (CONAE). An indication of interest in "green energy" by a large sample of Mexico's most energy-intensive enterprises⁶ is being met by a government plan to promote renewables through specially adapted rules. Under these rules, self-generating developers of renewable energy projects will be assured access to the national grid to deliver inherently intermittent supplies of electricity to distant participants in those projects or to sell any excess power they generate to CFE or to Luz y Fuerza del Centro.

The unique twist in USEA's recommendation for a much broader program is that the overall binational effort to foster clean energy would be used to develop methods of monitoring and measuring the precise environmental results, including the emission of carbon dioxide as well as pollutants that have already been the subject of emissions credits trading systems. Besides filling one of the voids in the dragged-out negotiations related to the Kyoto Protocol, such an effort could offer a number of benefits to all the NAFTA partners—and in keeping with the national policy goals of each. The governments of Canada and Mexico should give this recommendation serious consideration.

Another USEA recommendation is that a cabinet-level group in the United States (essentially duplicating the composition of the Cheney policy development group⁷) be institutionalized with the specific mission of accelerating the development of an open, integrated energy market involving the three countries. Prime Minister Jean Chrétien designated such a group in Canada some months ago,⁸ and there is a broad cabinet group in Mexico that deals with numerous economic issues, which now include the environmental aspects of energy development.

Twenty years ago, few experts would have predicted energy interdependence within North America. Who knows what the situation will be 20 years hence? But great things can occur if each country recognizes that separate national energy policies can be mutually reinforcing within NAFTA. The vital ingredients are good will, perseverance, and a vision of thoughtful and open-minded cooperation. Helping the integration of this vast and diverse market for energy goods, services, and know-how is a deserving task, consistent with the broadest national policy goals. ■

NOTES

1. Prepared remarks by Secretary of Energy Spencer Abraham at the 5th Hemispheric Energy Initiative Ministerial Conference, Mexico City, March 8, 2001.

2. Most of these were made available on the Internet at <http://www.cec.org> at the time of the symposium (along with an archived video Web cast of the proceedings).

3. The United States Energy Association (USEA) has recently made a specific proposal in this regard in a report entitled, *Toward an International Energy Trade and Development Strategy* (Washington, D.C.: USEA, October 2001, p. 22). The proposal calls for joint consideration by the National Association of Regulatory Utility Commissioners (NARUC),

the National Governors Association, the North American Electricity Reliability Organization (a restructured and potentially stronger version of the North American Electricity Reliability Council [NERC]), and the Federal Energy Regulatory Commission (FERC). NERC already includes representation from all of the lower 48 states, Canada's provinces, and Mexico's CFE. Legislation supported on both sides of the aisle in the U.S. Congress would empower FERC to enforce decisions reached voluntarily by this nongovernmental organization in the United States, and Canada and Mexico would be urged to consider complementary actions within their own respective systems.

4. Dionisio Pérez-Jácome, President of Comisión Reguladora de Energía, "Tendencias internacionales de reestructuración eléctrica," presentation at an international seminar on La Reforma Estructural del Sector Eléctrico Mexicano, organized by Centro de Investigación y Docencia Económica (CIDE), September 28, 2001.

5. Notes for a speech by the Honorable Ralph Goodale, PC, MC, to the Toronto Board of Trade, September 6, 2001, as posted on the Web site of Natural Resources Canada on October 4, 2001.

6. During June and July 2001, business executives representing 100 of Mexico's largest electricity consumers—accounting for more than one-quarter of all industrial power use in the country—were interviewed by Gallup Mexico in a survey sponsored by CEC and CONAE.

7. The Cheney group included the Secretaries of State, Treasury, Interior, Agriculture, Commerce, Transportation, and Energy, as well as the Directors of the Office of Management and Budget and the Federal Emergency Management Agency, the Administrator of the Environmental Protection Agency, the President's Assistant for Economic Policy, his Deputy Chief of Staff for Policy, and his Director of Intergovernmental Affairs (who is responsible for coordination with governors and other state and local officials and offices).

8. The exact composition of the Canadian cabinet committee has never been announced, but at least one journal has speculated that it is broad enough to encompass "all ministers with real and remote interests" in energy. An article in *The Nation* went on to suggest that this includes (at the least) the ministers of Natural Resources, Justice, Finance, Indian Affairs, Fisheries and Oceans, International Trade, Intergovernmental Affairs, Industry, and Environment.

HOW ENERGY COOPERATION IN NORTH AMERICA AFFECTS DISTINCT NATIONAL INTERESTS

SAMPLE ADVANTAGES (+) and DISADVANTAGES (-)

(Note that joint planning can serve to accentuate positives and moderate negatives.)

	CANADA	MEXICO	UNITED STATES
ADEQUACY OF SUPPLY	<p>Alternate sources of electricity provided (+)</p> <p>Expanded market speeds gas development (+)</p> <p>Drought problems exacerbated by export commitments (-)</p>	<p>Burgos Basin developed sooner (+)</p> <p>Ample electricity for northern cities more easily available (+)</p> <p>High California demand adjacent to fast-growing demand in Baja (-)</p>	<p>Gas close to New England (+)</p> <p>Neighbors' oil reserves complement mature domestic fields (+)</p> <p>2001 West Coast problems due in part to Canadian drought (-)</p>
AFFORDABILITY	<p>Broader market encourages early development of Maritime gas (+)</p> <p>Backup power limits need for high cost "peakers" (+)</p> <p>"Deregulation" coincides with price flyups (-)</p>	<p>Marginal cost pricing available for natural gas from broad area (+)</p> <p>Greater access to capital gives fresh alternatives to older equipment (+)</p> <p>Unaccustomed exposure to free market pricing a shock (-)</p>	<p>Pipeline gas almost invariably cheaper than LNG (+)</p> <p>Economic dispatch uses most efficient sources (+)</p> <p>Heavy capital outlays still needed for infrastructure (-)</p>
RELIABILITY OF SUPPLY	<p>U.S. is alternate to domestic power supplies in emergency (+)</p> <p>Domestic infrastructure strengthened as a side effect (+)</p> <p>Seasonal swings in demand may be exaggerated (-)</p>	<p>Increased opportunities to improve notoriously uncertain power grid (+)</p> <p>Nonassociated gas diversifies domestic supplies geographically (+)</p> <p>Specter of "U.S. unilateralism" invites nationalist apprehensions (-)</p>	<p>Less dependence on fuel supplies most subject to interruption (+)</p> <p>Backup power available during periods of emergency (+)</p> <p>Great care required as NERC expands supervision (-)</p>
ENVIRONMENTAL ACCEPTABILITY	<p>Fewer power plants required for any given output (+)</p> <p>Order of dispatch subject to control (+)</p> <p>Strong inducement to increase large-scale hydro (-)</p> <p>Use of hydro from any source limits emissions (+)</p>	<p>Natural gas more broadly available to replace high-sulfur oil (+)</p> <p>Advanced technology becomes more available (+)</p> <p>Some threat of becoming a "pollution haven" (-)</p>	<p>Powerplants' major shift toward natural gas requires imports (+)</p> <p>Imported power preferable to more use of old, dirty plants (+)</p> <p>Mexican air-quality enforcement raises some questions (-)</p>
TIMING OF ADJUSTMENTS AS DESIRED	<p>Maritimes' energy (and economic) development speeded (+)</p> <p>Association gives chance to stress environmental values (+)</p> <p>Alaska "highway route" could delay Mackenzie gas line (-)</p>	<p>Less total investment required (+)</p> <p>More capital quickly available (+)</p> <p>Reasonably stable oil prices better for producers than boom-and-bust (+)</p> <p>Early energy improvements in the north do less for central area and south (-)</p>	<p>New pressure to reduce Mideast dependency satisfied sooner (+)</p> <p>Broader markets for renewables spur economic technology (+)</p> <p>Quick partial solutions might delay development of both ANWR and renewables (-)</p>

Source: Author's matrix. While this article with its matrix of energy cooperation attempts to encourage readers to think in a North American context, the author is interested in what others view as pluses and minuses for their respective national policy goals. Readers are encouraged to contact him at dukert@erols.com with their comments.

CHANGE WITHIN CUBA

By Philip Peters

Positive economic changes are occurring in Cuba that are moving the country incrementally from a Soviet-style planned economy to one with significant market elements. Even though the changes are gradual and may not meet all the policy preferences of foreign capitalists, they deserve attention because of their impact today and because they provide a glimpse of the Cuba of the future. This article will look at how Cuba's economy is changing, what the changes mean for Cuban workers and consumers, and ways that foreign investors are affecting the workforce and business practices.

AN OVERVIEW OF ECONOMIC CHANGES

Economic changes are occurring mainly in small business, agriculture, foreign investment, and state enterprises. Micro-enterprises were legalized eight years ago in selected occupations. Although most are one-person businesses by law, they nevertheless are a significant sector in Cuba, employing almost 4 percent of the labor force. About one-third of the

micro-enterprises are in food service occupations such as small restaurants and lunch stands; the rest make up a small service economy that includes seamstresses, tutors, messengers, taxi drivers, and repair people. In 1996, there were 209,000 people in this sector who had licenses to operate; today, there are only 160,000 licensed businesses. However, many more micro-entrepreneurs operate without licenses than with them. The number of licensed businesses has decreased because of competition with each other as well as with the state, institution of an income tax, and enforcement of regulations. Especially hard hit have been small businesses such as home rentals and restaurants that compete directly with state enterprises for foreign exchange earnings from the tourism industry.

The growth of micro-enterprises has resulted in a new supply of services in Cuba. Commerce is back on the streets. Tens of thousands of Cubans now work *autonomously*, an alternative they did not have before, and they are learning the skills of a small entrepreneur. I surveyed 150 entrepreneurs and found that their after-tax earnings are three and one-half times the average Cuban salary.

The government undertook three main reforms in agriculture in 1993 and 1994. It redistributed land to small cooperatives and individual farmers. It allows all production units, from the largest cooperative or state farm to the individual farmer, to sell their surplus after they deliver their

"Tens of thousands of Cubans now work autonomously, an alternative they did not have before, and they are learning the skills of a small entrepreneur."

quota to the state. The government also created 304 farmers' markets where farmers can sell their surplus. These reforms have made a considerable difference: farmers' earnings are up, and food supplies are more plentiful and varied. Although produce prices fluctuate according to supply and demand, prices are relatively high for most Cubans. If the government would expand production incentives, prices would drop in response to increased supply.

Together, these changes have created a second legal source of food supply that is making the *libreta* (a little book showing each family's monthly food allotments that are obtained from neighborhood distribution centers) less relevant to the Cuban family diet. This additional food supply source is based on market incentives, and it is visibly working.

THE WORKFORCE OF JOINT VENTURES

Since 1993, more than 300 foreign companies have entered joint ventures to operate businesses in

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"Foreign investment is also changing Cuba's business culture. It is bringing modern technology and practices such as marketing, customer service, inventory management, and accounting into the Cuban business world."

Cuba. The joint ventures must contract with state employment agencies who recruit their employees. However, some companies directly recruit workers. I have seen examples where a foreign investor finds a Cuban worker with the right talent, leads that person through the employment agency system, and hires the worker.

Foreign investment is also changing Cuba's business culture. It is bringing modern technology and practices such as marketing, customer service, inventory management, and accounting into the Cuban business world.

To compensate workers, joint ventures pay a considerable amount of dollars to the employment agencies, which in turn pay workers' salaries in pesos. This amounts to a stiff labor tax—over 90 percent—that the Cuban government views as a fair contribution to support education and social services. But this is only one aspect of the story.

In looking at the current corporate citizenship practices of investors in Cuba and the issues that American investors may one day face, it is interesting to note that many joint ventures find ways to pay their workers more. One way is clearly outlined in the law—a company can create a profit sharing fund and distribute the profits to the workers. ETECSA, the phone company, is among those who share profits. Another option, used by Canada's Sherritt International,

involves negotiating a provision in the joint venture agreement to allow supplemental dollar wages to be paid to workers based on their productivity and the monthly profitability of the enterprise.

However, by far the most prevalent practice is simply to make side payments directly to workers, often in dollars. This widespread practice is not exactly legal, but neither is it blocked by the government—perhaps because state enterprises are introducing incentive pay plans of their own. I know of secretaries who earn an extra \$100 monthly in this way and a sales representative who earns \$300 more. These are clear cases where foreign companies bend the rules to make life better for their workers.

STATE ENTERPRISE REFORM

Cuba is now embarking on an ambitious program that is the island's answer to privatization. The government is not interested in privatizing per se, but in ending subsidies to state enterprises, overhauling their practices, making managers autonomous and the enterprises competitive and profitable. Managers are being required to develop a quality policy and a policy for pay that demonstratively ties compensation to output. These steps have just begun, and they bear watching. While the state businesses will not be privately owned, they

will be autonomous. If the reforms succeed, the existing Soviet state planning model will be dead.

HELPING TO EFFECT CHANGE IN CUBA

While none of these reforms signal the demise of socialism in Cuba, they do mean that a very different kind of socialism, incorporating elements of markets and capitalism, is at work. As these changes proceed, Cubans gain opportunities to work in market settings where productivity matters, pay depends on output, and earnings are higher. This is the beginning of an economic transition.

How can foreigners influence this transition? The answer is simple: they can become engaged in Cuba. It is impossible to discuss this subject, especially as an American, without taking into account the issue of U.S. policy toward the island. Clearly, Americans should advocate democratic values in general as well as in specific areas such as labor rights. We should promote changes in economic

"While none of these reforms signal the demise of socialism in Cuba, they do mean that a very different kind of socialism, incorporating elements of markets and capitalism, is at work."

“Because U.S. policy attempts to restrict the world’s trade with Cuba and to punish foreigners who invest there, America limits its influence not only with the Cuban people and the Cuban government, but also with foreign investors and governments.”

policy too. Yet the current U.S. approach toward Cuba, unlike America’s approach toward other communist countries, is to oppose engagement and, in fact, to try to make economic conditions worse. Because U.S. policy attempts to restrict the world’s trade with Cuba and to punish foreigners who invest there, America limits its influence not only with the Cuban people and the Cuban government, but also with foreign investors and governments. Thus, U.S. policy does not succeed in bringing pressure to bear on a specific issue such as labor rights.

The United States did not wait until China completed its economic reforms to become engaged there; we engaged when China was beginning to introduce incentives into its agricultural system, putting its farm cooperatives on a market-based footing. If the United States did the same with Cuba, one result would be the expansion of the private sector of micro-entrepreneurs. If

“Rather than continuing to limit U.S. contact—and influence—America has every reason to engage now with Cuba and its next generation.”

Americans were allowed to travel to Cuba, the dollars they would spend would, of course, benefit the tourism industry. There would be a huge spillover effect as well. By spending a dollar in a private restaurant or hiring a private taxi, Americans would help expand those workers’ incomes, thereby benefiting their families in a concrete way. A multiplier effect would be created. More people would become micro-entrepreneurs, and more money would be spent at farmers’ markets and in other micro-enterprises.

Another result of U.S. engagement with Cuba would be American investment on the island. Even though many U.S. firms would not invest in Cuba because of its restrictive socialist system, some companies would. They would be accountable for how they treat their workers, pay them, and resolve disputes. American companies should not be expected to play a political or foreign policy role in Cuba, but they do have a responsibility as corporate citizens. I am confident that their exercise of this

role will have a positive impact on the Cuban labor force and labor policies.

Cuba is on the cusp of a change in leadership. The generation now moving up in the ranks will inherit a changed Cuba, a country without a foreign patron and with a record of successful experiments with markets and capitalism. Rather than continuing to limit U.S. contact—and influence—America has every reason to engage now with Cuba and its next generation. The result will be positive for the people of both nations. ■



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WORKER RIGHTS AND FOREIGN INVESTMENT IN CUBA

By Efrén Córdova

The impact of the past 10 years of foreign investment on recent developments in Cuba, particularly economic conditions, has been significant. Has foreign investment exerted an equally important influence on labor-management relations and worker rights? Has investment adhered to the principles governing the conduct of socially responsible organizations? This article explores these questions.

SETTING THE STAGE FOR INVESTING IN CUBA

After the disintegration of the Soviet Union and the fall of the communist regimes of eastern Europe about 11 years ago, the generous subsidies of the Soviet Union to Cuba and the contributions of other socialist countries abruptly disappeared. Cuba was on the verge of economic collapse. Poverty, chronic food shortages, unemployment, and shortfalls of medicine and other basics became instant features of the Cuban scene.

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"When negotiations between the Cuban government and foreign investors began in the early 1990s, Castro was in a weak position, with investors holding the upper hand."

The Cuban government desperately needed the infusion of capital from other countries. Foreign capitalists, for their part, operated in a global economy and were free to invest in Cuba or in any country. Neither Sherritt International of Canada nor Sol Meliá of Spain, major investors in Cuba, had any obligation to the government of Cuba or any affinity with its communist ideology. Thus, when negotiations between the Cuban government and foreign investors began in the early 1990s, Castro was in a weak position, with investors holding the upper hand. Indeed, they had an opportunity to secure the most favorable conditions for their businesses as well as decent treatment for their employees. While investors obtained the former, they overlooked the latter.

To be sure, foreign investors were venturing into uncharted territory. Their experience operating in market economies was of little use in a centrally planned economy and totally irrelevant in Cuba. The Cuban labor relations system is a prime example of

the Stalinist model of labor relations. In this model, there is only one real actor in the industrial relations arena: the government. The other presumed actors (managers and worker organizations) have no autonomy and are subservient bureaucrats or docile organizations that must follow the government's dictates and the guidelines of the planning agency. Unions in particular are emasculated of their essential rights. They act as transmission belts for the communist party and simple mass organizations whose function, according to the Cuban Constitution, is to represent specific sectors of the population and "incorporate them into the tasks of the edification, consolidation and defense of the socialist society" (Article 7).

BENEFITS FOR THE FOREIGN INVESTOR

But the unknown setting of Cuba also contained elements highly beneficial to investors. Because unions were tamed, real collective bargaining and the right to strike did

Average Monthly Payment in State Enterprises

	1991	1992	1993	1994	1995	1996	1997	1998	1999
Monthly salary (CP)	184	182	182	185	194	202	206	206	223
Exchange rate CP/US\$*	25	25	25	25	25	25	25	25	25
Monthly salary (US\$)	7.36	7.28	7.28	7.40	7.76	8.08	8.24	8.24	8.92

* The exchange rate fluctuated during the 1990s, reaching CP50/1US\$ over the first few years and stabilizing later at CP20/1US\$.

not exist; workers were therefore defenseless in relation to their employers. The only existing labor organization was the government-controlled Confederación de Trabajadores de Cuba, which was directly under the communist party, and one of its primary functions was disciplining the labor force. Since collective bargaining was used to achieve production goals, collective agreements were first called *compromisos colectivos* (collective undertakings). Although strikes were neither authorized nor prohibited on paper, in practice they were regarded as a form of sedition, a serious crime indeed.

Labor was cheap. According to official figures and assuming (for the purpose of easy calculation) that the dollar exchange rate was roughly CP25/1US\$ during the decade of the 1990s, a wage picture emerges as shown in the table above.

SECONDARY RIGHTS FOR CUBAN WORKERS

The policy of paying low salaries began in 1962 and has been maintained throughout the 40 years of Castro's dictatorship. The reasons for this policy go well beyond the social wage concept and relate to the specific objectives and characteristics of the Cuban revolution. Promoting the welfare of workers and peasants has never been a top priority of the Castro

regime. The government has always deemed it more important to export the Cuban revolution, promote subversive activities in Latin America, wage war in Africa, fight U.S. policies, and enhance the image of Castro.

However, the advancement of these objectives has meant costly expenditures that, in turn, have entailed austerity and cuts on the domestic front. Ideology has also dictated that the rights of the state must be on a higher level than the rights of the individual. Emphasis has been on the international role of the regime as an agent of communist ideology, and to that end, particularly in the 1990s, workers were asked to accept temporary sacrifices. The right to receive a just and satisfactory remuneration, among other rights, was thus downgraded, postponed, or relegated to a secondary category.

It can be argued that socialist countries actually pay an additional social wage that includes subsidized food and free education and health services. But it is clear that whatever the amount and quality of these services in Cuba, they have not been directed to employers and have not affected their cost of production.

Other conditions of work before 1990 and during the past decade bore no resemblance to those in the home country of the companies involved.

Overtime was often required of Cuban workers, but seldom paid. Cuban workers were used to working in excess of normal hours, with Castro praising "Stakhanovites" (Soviet workers whose diligence and zeal earned the government's high esteem). Vacations were provided for in the Labor Code, but with no guarantee that this benefit would be honored. Moreover, a 1976 article of the Constitution had instituted the practice of nonpaid voluntary work for the benefit of society, and the International Labor Organization (ILO) found several instances of forced labor. These and other failings of the labor relations system undoubtedly resulted from the lack of interaction between management and labor (and, of course, were in tune with the totalitarian state).

FOREIGN INVESTORS DEMAND MORE

Even though the labor picture was extremely favorable for foreign corporations wanting to invest in Cuba, they made further demands. In addition to asking for tax exemptions and the right to repatriate profits, they insisted on the right to:

- (1) choose the type of employment relationship, such as short term, seasonal, temporary, or part time;
- (2) extend the probationary period of the worker from the 30-day time frame fixed in the Labor Code to six months;
- (3) develop a more rigorous disciplinary system (already extremely severe in Charter VI of the Labor Code); and
- (4) terminate the labor contract at will.

Anxious to entice business to invest in Cuba, the Castro regime acquiesced in all of these demands. In 1990, Decree-Law No. 122 granted the hotel industry

“Even as Castro was effectively attracting foreign investors, he made it more difficult or impossible for Cubans to invest in their own country. In addition, he prevented Cuban citizens from entering the premises of the new hotels, allegedly as a security measure or even when in response to a request from investors.”

the first three points. (This sector’s disciplinary system, which consists of 22 obligations and 46 prohibitions, is probably the most rigid in the world.) In 1995, Chapter XI of Law 77 opened the door to all other demands by establishing special labor regulations that would adapt existing laws to the requirements of foreign investors. Foreign companies were also given the right to use their own administrative and technical staff. Two articles were added to the Constitution, one to ensure that foreigners received the same treatment as Cuban citizens and the other to allow joint ventures and other associations to own land and other means of production. Further advantages given to investors included the opening of industrial parks and free trade zones. In short, the “uncharted territory” soon resembled a business paradise.

Even as Castro was effectively attracting foreign investors, he made it more difficult or impossible for Cubans to invest in their own country. In addition, he prevented Cuban citizens from entering the premises of the new hotels,

allegedly as a security measure or even when in response to a request from investors.

CASTRO’S DEMANDS

However, not everything favored the investors. Castro had some demands of his own, particularly regarding the future of his regime, and a tradeoff was soon hammered out. In exchange for the concessions cited above, foreign companies surrendered their right to hire workers of their choosing and agreed to engage employees through a government agency. Not only was this concession a departure from the companies’ normal personnel policies, but it also gave the regime the opportunity to fill all new jobs with its unconditional supporters.

Foreign corporations caved in to the state on another important matter. Instead of paying their personnel directly as the Labor Code stipulated and according to standard procedures in countries worldwide, firms agreed to pay them indirectly. Joint ventures and

foreign companies would transfer to the government in dollars the total amount of the wage bill, and the government employment agency would then pay the workers in Cuban pesos. The calculation of the amount of pesos to be paid would be made on an at par basis with the dollar, and the difference between that amount and the real value of the dollar-peso exchange rate would be retained by the government. To appreciate the magnitude of the fraud involved, consider the following data:

(A) Largest Sectors Receiving Foreign Investments, April 1999

(Total US\$ Mill.)	
Telecommunications	\$650
Mining	350
Tourism	200
Other	567

Source: University of Florida report.

(B) Total Number of Workers in Joint Ventures and Foreign Business Operations

(Estimate)	
Tourism	81,000
Nickel and related activities	45,000
Other sectors	25,000
Total	151,000

Source: María D. Espino, “Cuban Tourism during the Special Period,” paper presented at the 2000 meeting of the Association for the Study of the Cuban Economy, August 3-5, 2000, in Coral Gables, Florida.

(C) Monthly Salary Paid by Sol Meliá (Estimate, US\$)

Blue collar (such as waiters and maintenance workers)	223
White collar (office employees)	247
Managerial	420

Source: Compiled by the Cuban Federation of Sugar Workers in a communication to the International Confederation of Free Trade Unions, May 2001.

“In exchange for the concessions, foreign companies surrendered their right to hire workers of their choosing and agreed to engage employees through a government agency.”

The salaries of workers in foreign firms are considerably lower than those paid by Sol Meliá in Spain and other countries. This anomaly is mainly due to the absence of real labor unions and collective bargaining in Cuba, the government's desire to avoid the sharp income difference that would have resulted between the top salaries paid by foreign companies and the poor salaries received by state employees, and the acquiescence of foreign businesses that saw the government's proposal as an easy way to increase profits and to be permitted to operate in Cuba.

VIOLATIONS OF ILO CONVENTIONS

The 90-95 percent margin derived from the devaluation of the peso (which was at par with the dollar before the revolution) has represented huge amounts of money over the years. These monies have been a shot in the arm for a government that needed to maintain its costly security apparatus and to defray its various international endeavors. But the strategy has deprived Cuban workers of the opportunity to earn a decent wage for the first time. Although some compensation has been given to workers in the form of tips in U.S. dollars and a monthly bag ("java") of products that are unavailable in Cuban markets, such benefits are of relatively minor significance. (Tips must be placed in a pool, with the government keeping 60 percent of the total; javas contain mostly leftovers that are given to the workers as charity.)

Whatever the gains and losses, the use of this strategy by the Cuban government and the acceptance of it by foreign businesses clearly violate two ILO Conventions that Cuba has

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ratified: No. 95 provides that "wages shall be paid directly to the workers concerned"; and No. 96 abolishes fee-charging employment agencies. The violations are so flagrant that they have given rise to a representation (complaint) that will be submitted to the ILO by the World Labor Organization. The Cuban Federation of Sugar Workers has requested the International Confederation of Free Trade Unions to file the same kind of complaint against the Cuban government.

IMPACT OF FOREIGN INVESTMENT ON CUBA

What has been the net effect of foreign investment in Cuba? There is no doubt that foreign investment is the sole reason for the growth of the Cuban economy in the past few years. The state sector is still in shambles, but the Castro regime has been rescued from complete ruin by the remarkable development of the tourism sector, the effective growth of the mining industry, and the overall contributions of foreigner investors to other industrial, telecommunications, and commercial activities. Suffice it to state that the economy grew 5.6 percent in 2000.

Foreign corporations have also significantly profited from their invest-

ment in Cuba. Sherritt reported profits of US\$76 million in 2000. Meliá, which began with only one hotel, now operates 22. The tourism industry, dormant before 1990 and completely neglected during the first years of the revolution, has rebounded. Meliá, associated currently with Tryp Hotels of Spain, is in charge of Cuba's main tourist centers and attracts a major flow of tourists from Europe and Latin America. Joint ventures have also modernized the oil drilling, citrus, and fishing industries and have helped to commercialize tobacco and other products. By 1999, 392 international economic associations, most of them joint ventures employing about 150,000 workers, committed or delivered almost US\$2 billion to the Cuban economy. The number of joint enterprises appears to be steadily increasing and now includes light industry, food, construction, real estate, and services.

However, foreign investment has not exerted a positive influence on aspects of Cuban life other than the economy. The totalitarian structure of the regime remains in place, and the political climate continues to be oppressive. The six countries of the EU that have heavily invested in Cuba assumed that their economic activities would liberalize the political arena and open the road to democracy. They have

"The fact is that the Stalinist model of labor relations remains intact. Except for the limited possibility accorded in 1992 for workers to be self-employed (an authorization later restricted), nothing of substance has changed."

no doubt realized by now that this assumption was wrong and that the regime is impervious to the economic activities of foreign investors.

Questions have arisen regarding the social responsibilities of foreign corporations. Not only have most agreed to go along with the "apartheid" system established by Castro, but they have also had little influence on the quality of labor relations. Do foreign firms recognize independent unions? Do foreign companies conclude real collective bargaining agreements with their workers? Have foreign enterprises improved worker rights? The fact is that the Stalinist model of labor relations remains intact. Except for the limited possibility accorded in 1992 for workers to be self-employed (an authorization later restricted), nothing of substance has changed.

CONDEMNATIONS OF CUBA'S ACTIONS

Consider the Cuban government's treatment of ratified conventions. Between 1960 and 2000, the ILO's Committee of Experts on the Application of Conventions and Recommendations issued 182 "observations" covering 41 different conventions that Cuba had ratified but had not

carried out or had disregarded either in labor relations law or practice. (Observation is the term used in diplomatic parlance to refer to serious and persistent violations of a ratified convention.) During the same period, the Committee of Experts also issued numerous direct requests for information not published in the annual report on the application of conventions and recommendations but communicated directly to the governments concerned. Furthermore, during the first five years of the revolution, when the Cuban government was busy dismantling the old labor movement, Cuba did not even submit the report that the ILO annually requests of governments on the measures taken to enact the provisions of ratified conventions.

The United Nation's Commission on Human Rights has adopted con-

demnatory resolutions on the Castro regime's inadequate treatment of workers. Since 1987, Cuba has been forced to explain its human rights situation every year, and in all but one year the Cuban government has been found guilty of gross violations of fundamental human rights. UN resolutions and the reports prepared by the Special Rapporteur on Cuba appointed by the UN Human Rights Commission refer to forced labor, persecution of trade union organizers, blatant discrimination of anyone who disagrees with Castro's views, and lack of appropriate social protection for the Cuban people. These resolutions are an affront to the Cuban dictator. They also demonstrate severe disapproval of left-wing advocates of Castro who have elevated him to the level of "great defender of the working class." Other condemnatory reports have been issued by Pax Christi Netherlands and Human Rights Watch. The former organization in particular has documented the systematic violation of fundamental labor rights in Cuba. (See, for example, its *Fifth Report on Cuba*, Utrecht, September 2000. See also Efrén Córdova, ed., *40 Years of Revolution*, Universal, 1999.)

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LACK OF SOCIALLY RESPONSIBLE BUSINESS CONDUCT

In the early 1990s, the decision to invest in Cuba was indeed momentous. On the one hand, it brought accusations that foreign capitalists were helping a communist government that was especially oppressive of its people. On the other hand, it provided a unique opportunity for businesses to exert positive influence on the treat-

ment of Cuban workers and on the labor relations system in general. The presence of reputable companies from highly developed Western countries was expected to influence or contribute to changes in labor relations law and practice.

However, after a decade of operating in Cuba, investing companies have been unable to live up to their stated good intentions. Foreign companies that first extracted concessions from the Cuban government and later

accepted arrangements contrary to international conventions have not conducted their business in Cuba in a socially responsible way. Most have shown little respect for the Sullivan, McBride, and Arcos Principles and have ignored the Principles of the North American Committee of the National Policy Association. The experience of foreign investors in Cuba shows that changes in economic infrastructure do not necessarily entail changes in political structure. ■

FORTHCOMING NPA EVENTS

Visit NPA's Web site, www.npa1.org, for more information

Conference on "Equity and Growth: The Role of Civil Society in Sustainable Development"

February 19, 2002 • 9:00 a.m. - 5:30 p.m.

Sponsored by NPA and the Chamber of Commerce of Lima, this conference is the beginning of a new project for NPA. The day-long event will examine the main policy issues facing the new Toledo government in Peru—combating widespread inequality and promoting economic growth. Discussions will focus on the need to address Peru's structural inequalities to make meaningful development possible. Panelists will include leaders from both the business and labor communities in Peru and North America, as well as representatives from government, academia, and civil society. Participants will discuss ways in which government and the private sector can work together to promote democracy and implement policy solutions to Peru's most pressing national problems.

WHERE: Lima, Peru. Contact Amanda Fulmer, NPA Research Fellow, at (202) 884 - 7639 or afulmer@npa1.org.

Symposium on "Building a Digital Workforce: Recommendations for Change"

April 17, 2002 • 9:00 a.m. - 12 noon

This is the final of three regional public meetings on "Crossing the Digital Divide to Digital Economic Opportunity" sponsored by NPA's Digital Economic Opportunity Committee (DEOC), a business, labor, and education group. The focus of this symposium will be on presenting and discussing the DEOC's draft final findings and recommendations for upgrading skills and expanding today's workforce to meet the information technology skill needs of the new digital economy. The symposium is part of a workforce development research project partially funded by a grant from the Federal Mediation and Conciliation Service. The DEOC will issue its final report in June 2002.

WHERE: San Francisco, California. Contact Robert B. Warner, Committee Director, at (202) 884 - 7628 or rwarner@npa1.org.

Recent NPA Conference on the Role of Underserved Communities in Building a Digital Workforce

"The United States must foster a technologically literate workforce to survive in the emerging information technology (IT) society," according to Robert B. Warner, Director of the National Policy Association's Digital Economic Opportunity Committee (DEOC). "The high cost of employee turnover, the shortages of skilled workers, and the growing number of baby boom retirees make the improvement and training of the existing and future workforce a very pressing issue." NPA formed the DEOC in early 2001 to help decrease the digital divide between skilled IT workers and workers lacking these skills.

The committee held a conference on December 12, 2001, in Kansas City, Missouri, to explore "Enlarging the Pool of IT Workers to Meet Tomorrow's Needs: Crossing the Digital Divide to Digital Economic Opportunity." The conference focused on ways to raise the technical skill of segments of the workforce not traditionally found in the IT labor force: women, minorities, people with disabilities, seniors, Native Americans, and those in underrepresented communities such as rural areas and inner cities. Through a series of panel discussions, the conference examined the barriers to good paying IT jobs, how to overcome these obstacles, and the skills and training that are needed.

Attending this important workforce development conference were members of businesses, labor unions, educational institutions, government agencies, nonprofit organizations, and others interested in the issue of technical skills development. Attendees presented their views and recommendations on preparing today's workforce for participation in the new digital age economy.



(L to R) The panel focusing on the challenges facing women and minorities in the IT workforce included Ian Bautista, Deputy Director, El Centro Inc.; Wanda Johnson, Deputy Director, Water, Wetlands and Pesticides Division, U.S. Environmental Protection Agency; Katherine Hanson, Director, Gender and Diversities Institute, Education Development Center Inc.; and Rory R. Paredes, Technology Management Specialist, Center for Applied Technology, Graduate School, U.S. Department of Agriculture.

(L to R) The issues confronting people with disabilities and seniors in the IT workforce were discussed by panelists Suzanne Dunn, Ph.D., Director of Product Design, R. Jan LeCroy Center for Educational Telecommunications, Dallas County Community College District; Debra Holcomb, State Project Director, Nebraska Operation, Green Thumb Inc.; Janice Bramwell, Missouri State Director, Green Thumb Inc.; and David Baker, Program Coordinator, Missouri Assistive Technology.



(L to R) Anthony C.E. Quinton, NPA President and CEO, presented the opening remarks at the Kansas City DEOC conference, and an overview was provided by DEOC Cochairs Jack Golodner, President Emeritus, Department for Professional Employees, AFL-CIO, and Ralph P. Craviso, Vice President, Workforce Effectiveness, Lucent Technologies.

This was the second of three conferences to be sponsored by the DEOC. The first was held in Boston in June, and the third will take place in San Francisco in April 2002. The conferences are made possible by a grant from the Federal Mediation and Conciliation Service and the corporate, labor, and education members of the committee, who collectively represent more than 10 million workers and union members.

The first DEOC report, *Building a Digital Workforce*, was issued in November 2001, and will be followed in April 2002 by a second report based on the Kansas City conference. The committee's final report, to be published in June 2002, will contain a set of social, political, corporate, and labor-management initiatives and recommendations for building a digital workforce.

For more information, contact Robert B. Warner, Director, Digital Economic Opportunity Committee, at (202) 884-7628 or rwarner@npa1.org, or go to NPA's Web site (www.npa1.org).

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VOL. XXIII, NO. 4
December 2001



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