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Cuba

# What Cuba's reforms may bring

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**People have been encouraged to speak freely about the economic guidelines of the Sixth Party Congress set for April, so with all due respect I am expressing my point of view.**

I didn't want to be among the first to comment, nor did I want to speak out before the discussion began; I wanted to analyze the content of the guidelines, while learning the outcome of the December session of the National Assembly. I also didn't want in any way to influence the opinions of other comrades at the beginning of the debate.

Two months ago the discussion began. In meetings, through the print media and in personal commentaries, a broad section of the international left, as well as many Cuban revolutionaries, communists and ordinary citizens expressed disagreement with aspects of the form and content of the call and the guidelines.

After the debates of the last few years and during the time spent on its preparation, it was expected that the leadership of the party would call for a comprehensive congress with an expansive and truly democratic agenda, without sectarian scaling down, but allowing for a deep and constructive examination of what was previously realized. It was supposed that the line that leads to socialism would be traced, as well as new cadre chosen who could face the task of restructuring Cuban society. People were also waiting on a publicized and far-reaching discussion about what type of socialism we want. This was not in the call made by the leadership, though it was their historic responsibility.

The convening of the Sixth Congress of the PCC, the formulation of an economic plan, the strengthening of municipal autonomy and the opening of other extra-governmental productive relations, especially the expansion of self-employment and the extension of cooperatives to all spheres of the economy, are demands with wide popular backing that many people have been requesting for years. Somehow these are finding partial expression in the call for the Sixth Congress as well as in the guidelines and subsequently in speeches by senior government officials.

## Ignoring fundamental problems within the party

I have no doubt that this call and the guidelines seek to address the serious situation posed by the government's financial situation, but by making this the central objective they are ignoring the discussion around fundamental problems in the operation of the party itself, the relationship between revolutionary theory upon which action is based and its practice, and that which is related to our concrete situation.

Generally, these can be considered insufficient to guide our society toward true socialism since:

1 – After eight years of waiting, and after having been postponed to better prepare for this congress, the call and the guidelines do not include an integral critical analysis of what has occurred over these past 13 years since the previous congress or the results of the policies pursued to avoid incongruities and omissions and allow for the appropriate corrections.

2 – The selected methodology and the content hamper the broad and needed democratic discussion about the direction and paths to socialism, and thereby repeat the basic errors of the past.

3 – They do not call for the needed replacement of officials or the promotion of cadre with a new mentality capable of guaranteeing the necessary changes.

4 – The call and the guidelines are not accompanied by the election of delegates who would have to defend the positions of their respective constituencies.

5 – They do not assess the outcome of foreign policy or national security policy.

6 – They do not deal with the current international political, economic and social situation in all its complexity, nor our country's system and its position in the contemporary world.

7 – They don't include an analysis of the party's own activity or the internal life of that organization, which needs to breathe new life into its methods.

8 – Some points within the guidelines violate the letter and spirit of the socialist constitution when approving wage-labor for private capitalists and the sale of properties to foreigners for 99 years

9 – They only call for discussion on some specific, limited, prefabricated economic guidelines.

## The absence of real debate

Although the official line speaks of a "democratic process" and calls for "consultations," any real democratic debate has been lost because:

1 – They have presented the discussion on some guidelines whose key points had been already approved by the Council of Ministers, put into legislation and are now being executed as part of a five-year plan that ignores the people and the party.

2 – Horizontal exchange between and among rank-and-file and grassroots forces is absent.

3 – Sectarian control exercised by the leadership over the national press hampers the spreading of other contributions and ideas different from theirs.

4 – The "participation" given to workers and grassroots party members is one of consulting and expanding them with a methodology that promotes support prior to discussion and that guarantees the approval of the guidelines almost unanimously (though this is officially criticized). What should be done is only record opinions, because all positions should be respected as valid and debatable to the point of voting on them in the congress' plenary session.

5 – They demonstrate that the traditional intolerance of differences remains, despite official discourse that promotes them.

6 – The historical prevalence of verticalista (top-down) methods of order and command in the party continue to be applied as their methodology, accentuated since the Special Period (economic crisis that began in the early 1990s).

7 – The culture of non-debate continues to dominate the process that has generated bureaucratic centralism. Many instructors and intermediate cadre have “assumed” the approval of the guidelines “instead of their discussion” as being the role of the party.

On the other hand, the promoters of the guidelines continue to consider socialism to be a system of distribution of the means of consumption in the neo-social-democratic style and not as a new form of the organization of production, without their allowing an opportunity for questioning.

Moreover, in a dogmatic, sectarian and uncompromising manner, they assure that there is no other alternative except the one expressed by them, ignoring their own failures, the disasters of imitated “real” socialism and the positive socialist practices of other experiences. They disregard the entire theoretical activity of socialism of the past and what has been realized by many Cuban and international communists and revolutionaries since the fall of the former socialist camp; these latter uphold the idea from Marxist philosophy that points to changes in production relations as the solution to the contradictions generated by the wage-labor system of exploitation, whether this is applied by private owners or by the government.

Instead of looking for the cohesion of revolutionary forces, a congress with all these exclusionary limitations distances them amid a crisis in the credibility of socialism, which we are experiencing. With so much confusion and people of all strata wanting to live the “American way of life,” without successes that demonstrate the future viability of statist projects, does not permit the necessary in-depth treatment by the party or all of society of the current situation and perspectives for Cuba. Nor does it make the appropriate democratic decisions, and therefore it does not guarantee the objectives that would be expected from such an event in the current circumstances.

## No guarantee of the advance of socialism

In this way, the essence of the political economy already approved and being executed, expressed in the guidelines and that seeks to be endorsed by the Sixth Congress, although it implies important changes regarding the traditional paternalistic conduct of the government, does not guarantee the advance of socialism because:

1 – It does not entail a correction that moves from statism to socialization, nor from centralization to democratization that puts control of political, social and economic life in the hands of the workers and the people.

2 – It remains well established that the important strategic decisions will be left with the bureaucratic apparatus of the state/party/government, and that the concrete operatives will be imposed bureaucratically by the traditional administrators.

3 – The fundamental levers of power will remain in the hands of groups strongly influenced by the concepts of archaic bureaucratic centralism blended with ingredients typical of contemporary neo-liberalism.

4 – It doesn't make clear what are the different functions of the party, the state, the government and the economy.

The principal macroeconomic goal that the government is to balance its budget “something very much the fashion in capitalist economies seeking to guarantee the high costs of governments and their bureaucracies” which will be accomplished by the layoff of a million and half public-sector workers, the reduction of social programs and subsidies, the increase in retail prices of the market monopolized by the government, the freezing of nominal wages and a decrease in real wages, the maintenance of the serious problem of the double currency, and the employment of

“available” workers in extra-governmental forms of production with the aim of collecting enough taxes from these individuals to cover their costs.

I don't doubt that these policies could somewhat alleviate the problem of government finances, redirect some workers into state sectors lacking manpower and improve the standard of living of some now-favored strata; but it will negatively impact the low-income majority, particularly the poorest and least protected.

But more than anything, it will be difficult to achieve a significant increase in production and productivity because the guidelines do not contain concrete positive incentives for those who work for the government or for those who are the most responsible for making the large factories and companies productive. Incentives to production remain as negative values that take advantage of the natural pressure of people's needs, just like under capitalism (work as a necessity, not as a source of enjoyment) and they rely on traditional “but inefficient” calls for discipline and sacrifice.

In addition, to achieve a substantial increase in tax revenue to satisfy the aspirations of the government at the cost of new extra-state forms of work would demand the granting of widespread opportunities for the development of private capitalism, self-employment and cooperativism. This would be possible with a tax policy different from the current one, a stimulating one, and if they eliminated the monopolies and centralizing mechanisms that hamper the development of economic activity outside the government, which a good part of the established bureaucracy doesn't appear willing to change. In fact the situation appears to be just the opposite; they seem intent on reinforcing this despite the official line about decentralization and decreasing government intervention in social and economic life.

This is demonstrated in actions to improve centralized economic controls by the bureaucracy, to dictate all economic activity from above; to reinforce the police and other agencies of inspection, repression and coercion that are responsible for maintaining government control; to levy taxes on all extra-economic governmental activities no matter how small, to maintain and even increase the high taxes on self-employed workers, to hamper self-employment in many professional activities (for e.g. architects, doctors, dentists, nurses and others), to continue blaming the workers for the poor performance of the economy, not to expand any of the needed mechanisms of democratic and civil participation, and keeping out of the congress the important discussion on specific forms in which workers and citizens should participate in the country's economic life.

## Nothing to do with socialism

On the other hand, the measures and guidelines enunciated up to now tend to primarily facilitate foreign investment and medium-sized private capitalism. Meanwhile the discussion relating to self-employment is not sufficiently stimulating, and cooperativism is hardly recognized as a possibility just as its concrete measures are not clearly expressed. In this same vein, not a single word has been said in the laws now passed, in the party guidelines or in official speeches concerning workers control of government enterprises, which are those that determine most of the activity in the economy. Nor is there any mention of worker/government co-management or, if you like, the turning over to these producers of factories shut down by the state.

In this manner, the guidelines do not establish the priority required; on the contrary, they underrate the socialization of appropriation, which is the path to the solution of the basic contradiction of the wage-labor system: the increasing concentration of the appropriation of property/surpluses and the socialization of production.

The aims of the guidelines to reach their macroeconomic objectives and the objectives themselves have nothing to do with socialism.

The final objectives of any economic plan of a state that claims to be socialist would be to guarantee the well-being and the free and multifaceted development of people and the workers through access of everyone to ownership or usufruct of the means of production. Outside the distribution of idle lands a process lacking in transparency and without any popular control this is not mentioned either. Nor do they want to make changes in the ownership of the government enterprises, which are decisive, toward their socialization; rather, they are inclined to share them with foreign companies (privatization).

Proposals to balance the government's budget based on taxes that are collected from private labor and the exploitation of wage-labor is counterproductive from any socialist point of view, just as it doesn't make socialist sense to announce the elimination of 1.5 million jobs and to leave the workers without defined and concrete forms of public assistance and not even guarantees that sustenance can be attained through other means.

This can only be explained because this position continues to be undergirded by the philosophy that has predetermined traditional decisions, which under the slogan of "updating the model" they plan to maintain the old unsuccessful statist scheme in force, sustained by the centralized control of the bureaucracy over the means of production, surpluses, investments and important decisions factors that should all be in the hands of labor and social communities and individuals. They also envision the prevailing capitalist wage-labor production relations not only in the bureaucratized government, but extending them to activities of campesinos and self-employed workers, encouraging them to become small capitalists.

## A capitalist approach to building socialism?

I reiterate: I do not reject the need for a certain dose of very controlled small private capitalism and perhaps even medium sized (such as the so-called "pymes" [small and mid-sized businesses] that use foreign investment and joint-venture companies that contribute capital, technology and markets where it is indispensably necessary and preferably indirect. However to prioritize those forms of production to achieve the "development of a socialist country" when what is sought is to guarantee the budget of a financier state bureaucracy is an absurdity and definitively opens the road to gradual pro-capitalists reforms.

Although it is true that paternalistic "socialism" which tried to "solve" the problem of full employment by turning to hidden state underemployment, inflated payrolls and subsidies could only lead us to the current disaster, it is also true that to attempt neoliberal macroeconomic and monetarists recipes can only lead our economy to accelerated privatization. We have been verifying this since the so-called Special Period, basically with mixed or joint-venture companies that participate with the government in the wage-labor exploitation of our professionals and workers, whose specific weight in the economy is not spelled out in any official document.

The socialist solution to the matter of employment would be to enable the full participation of workers in all decisions that concern them in production and services centers, especially in the management, administration and the distribution of profits. This would allow them to decide if there were excessive numbers of workers, then to evaluate if they could be placed in some other jobs and in undoing all the barriers that hinder self-employment and cooperativism.

With the failures of their centralist, statist and voluntarist attempts at building socialism, those disenchanting souls who are unworthy of Marx reduce Marxism to a few dogmas established by Stalinism and they don't believe or don't accept that there is some other concrete way to reach the new society. Nonetheless, as they aspire to "build it" starting from those "damaged arms of capitalism," they are pursuing the shortest path to its restoration since the prevalence of capitalist means and methods can only lead to the same.

What characterizes a mode of production is “the way in which the labor force is exploited,” something the guidelines and official speeches forget when seeking to identify socialism with the centralized planning of resources, government ownership and the “control” of the market.

With that they preserve the basic old economic errors of the dogmatic style of concentrating and centrally deciding on the results of labor (surplus) and maintaining state monopolies on property, purchases, sales and the prices of goods, which only serve to dampen all the initiative of labor and social collectives and of individuals.

As long as such vices persist, economic decentralization will not go beyond talk.

## Who decides the distribution of profit, the few or the many?

In modern economies, the most efficient production and service companies work more or less on the basis of dividing their profits/surpluses in three main parts: a third for extended reproduction of the entity itself, another third for the enjoyment of the owners (whether private or collective, while the form in which this part of the surplus is distributed “equal or not” is what identifies a company as sharing its profits on a capitalist or socialist basis), and the third part is paid out as a tax to cover social expenses and the government, the municipality, etc. Only this last third should be available to the government for its planning and it now involves relatively large sums.

In Fidel’s “History Will Absolve Me” he stated that 30 percent of the profits from companies would be distributed among the workers.

The practices of attempts at socialism have demonstrated that planning would have to be democratic, in accordance with participative budgets approved at each level and in each production or service entity and not through the centralization of all surpluses distributed and the whole investment process, a phenomenon that feeds corruption and bureaucracy and is approached without arriving at its essence or finding solutions.

The market “as has already been said, written and repeated” has existed in all social systems. It is not exclusive to capitalism but is a fundamental tool for economic development that will exist while the capitalist system prevails internationally. Naturally, with the relative prevalence of socialist production relations, it will tend toward the exchange of equivalent values as a channel of social justice until it proceeds to progressively disappear along with the state, classes, the social division of labor, the law of supply and demand, money and other categories of the mercantile economy.

Socialists of different ideological tendencies agree in pointing out that by only putting the means of production under the direct control of workers, with previously contracted production, will it be possible to advance toward the new socialist society. When the workers themselves in each production or service center are the ones who decide on the company’s management, its economic administration and the destiny of the surpluses, we will be before real changes in production relations. Anything else is more of the same thing with a different name.

As has been evidenced, if simple state ownership is not socialized, if it doesn’t include those concrete changes in the relations that people contract in the production process and, on the contrary, if it maintains the wage-labor relations and the centralization of the important, natural, inevitable decisions and it demonstrably regenerates the cycle of workers’ exploitation (only by the state instead of private owners), it will reproduce exploiting and exploited classes in the form of bureaucrats and producers. Finally, as happened with all forms of “state socialism” in the 20th century, it will end up regenerating the capitalist system. This lesson has not been learned by the current leadership.

With what they intend, they would transition from being a bureaucratized, poor, paternalistic and generous state to another one that is also bureaucratized but additionally a greedy financier that will continue to be poor but with

pretenses of opulence.

I am not in the least advocating the immediate disappearance of the state apparatus as some try to accuse those who defend the Marxist path to the withering away of the state. The state is temporarily necessary to guarantee the general aspects of the country's development and its defense. However, socialist construction, socialization, is not possible by concentrating all economic and political power in a few hands or with important decisions being made by a small sectarian group of people without true discussion with full democratic guarantees, rights to free speech, publication and association and where everyone has the same opportunities for participation and the popularization of their ideas.

## Cuba again at the crossroads

Each country will advance toward socialism in accordance with its characteristics, its level of development, the degree of socialization and democratization reached, and without having to hope for others to begin that road; but the victory of socialism as the predominant social system with a stable character in any one country will depend on the same situation prevailing in several countries and that these achieve economic and political overlap from their own bases. The projection of ALBA (Bolivarian Alternative for the Americas) in that direction, comprehensively, beyond government ties and based on new socialist relations of production is more than necessary, it is vital.

In Cuba, we are heading then to the critical point of the dissolution of monopoly capitalism under the guise of "state socialism," therefore:

1 – Either we are clearly advancing toward a change in production relations from wage-labor to the prevalence of cooperative-type freely associative and self-managerial relations – this does not involve excluding others – and we are democratizing the political life that makes this possible, or...

2 – We are regenerating classical private capitalism for the survival of the centralist-bureaucratic-wage labor system that, seeking to exist forever, will soon be absorbed and transmuted by capitalism and self-generated privatization.

Without the widest democratic participation of the workers and the general population in all decisions that concern them, socialism is not possible. What the government/state/party is doing and seeking to endorse through the Sixth Congress does not assure the advance toward socialism.

The path shown by the call to the Sixth Congress and its economic guidelines seem to favor the reinforcement of wage-labor relations of production more than freely associated socialist relations of the cooperative/self-management type. What does not go forward dialectically goes backwards.

The gradual progress of capitalist restoration in the jaws of the most voracious and atrocious empire in history, the traditional enemy of the Cuban nation that has firmly maintained the principal laws of the blockade up until today, is an assault that is threatening to return us to dependence under the empire. As comrade Celia Hart once said, "Cuba is socialist or it's not."